





BANKS DEBATE/Broadsheet No.3

# SO FAR OVER 20,000 PEOPLE HAVE HAD THEIR SAY.

3.6% for bank nationalisation.

90.5% against bank nationalisation.



The Banks Debate has so far brought in over 20,000 replies and we thank everyone who wrote. 90.5% were against the proposal by the National Executive Committee of the Labour Party to nationalise the banks. 3.6% were for it. A further 5.9% were not strongly for or against.

These figures confirm the findings of independent surveys of public opinion, which have also shown a very large majority opposed to bank nationalisation.

Not that the banks went uncriticised, even by upholders of the status quo. We have tried to answer every letter and coupon and many who had adverse comments to make will have received detailed replies. All comments and suggestions are valuable to us, and are getting serious consideration.

Here, in their own words, are the views of some of the people who have written to us for and against bank nationalisation.

## "Nationalise the banks!"

"Banks and insurance companies must be taken into public ownership, under democratic workers control; social responsibility and accountability must be ensured."

J.G., Somerset.

"Yes, combine the four main clearing banks into one body with an independent charter such as that enjoyed by the British Broadcasting Corporation."

J.U.W., Peterborough.

"I think there is a good argument for nationalisation of the banks in so far as the private funds of the people in this country are too important to be looked after by bodies whose foremost concern is profit; it seems reasonable that the funds should be controlled by a democratically elected body such as the Government."

S.G., Birmingham.

"Ten banks all providing the same service—it's not competition. It's a waste of valuable resources!"

P.A., Lincolnshire.

## "Don't nationalise...but!"

"I consider the banks to be a little too hidebound, they should... use their money more adventurously, take more risks. On the question of nationalisation, I deplore the very thought of more State intervention."

G.E.S., Wiltshire.

## "Don't nationalise!"

"The nationalisation proposals are concerned more with power seeking than efficiency."

R.W., Tyne and Wear.

"...I am sure on nationalisation our person to person relationship would cease and I would transfer my private business and company accounts to, say, an American bank... I would advise my clients to take a similar course of action. (I am an accountant.)"

P.W., London.

"It is nonsense to suggest that nationalisation of the banks would affect borrowing by industry. Industry borrows money to finance expansion or development schemes which it considers viable. They do not borrow money because the banks are nationalised."

J.H.C.P., Notts.

"Governments come and go with no apparent stability. From what I see and hear, as soon as nationalisation comes in the door, personal responsibility flies out the window."

E.N.S., Essex.

"At present we can deal with real people with real power to get things done. Once you get nationalised your troubles begin. I know. I work for a nationalised industry and it gets worse every day."

G.V.J., Hull.

"I am convinced that without competition there will be loss of efficiency, plus disregard for the interests of the individual."

E.M.H., Sussex.

"If an industry that is vital to our economy or way of life would cease to exist without nationalisation, such as the Post Office etc., then nationalisation is obviously justified. But this is not the case in Banking."

E.C., Gloucs.

"Has the Labour Party Conference forgotten it is supposed to be speaking for the people? No-one asked us our opinions until now!"

M.P.W., Tyne and Wear.

"The banks are doing a first class job and we never fear banks losing money."

M.C., Middlex.

"...the compulsory direction of funds into industrial investment, a proportion of which will be financially suspect and politically motivated, would cause offence to a considerable proportion of depositors."

D.L.H., Kent.

"... I am sorry to say that this new breed of bank will be one without my confidence, agreement and MONEY!"

S.J.S., Essex.

"It would seem obvious that the lack of competition resulting from the proposal can only bring about the decline of one of Britain's most successful and efficient industries."

C.D.W., London.

"This restriction on loan availability is the main economic argument for the nationalisation of the banks, and it does not hold."

D.J.M.G., Coventry.

"As a normal worker with 10 years experience of two nationalised industries, I know without doubt nationalisation stands for over-manning, waste of money and materials and incompetence."

J.S., Essex.

"Too much of the tax-payer's money is already used to bolster inefficient and badly managed industries."

N.P., Leeds.

"The most important point is, I think, that any form of nationalisation would be final... once we lose our banks... we would never get them back."

J.S.S., Glasgow.

## Have we heard from you yet?

The Banks Debate is a lively one. And we still want to know what you think—about the comments printed here, or the case put forward in Broadsheets No.1 and No.2. We will do our best to answer every letter and coupon received.

## THE BANKS

### Now tell us what you think.

You can write your comments on this coupon alone or enclose it with a letter. Address your reply to THE BANKS, 10 Lombard Street, London EC3V 9AP. Or deliver it to any branch of any bank listed below, in an envelope marked "The Banks Debate."

Name

Address

T3





## 'Slow' women are increasingly taking jobs

By Peter Roper  
Labour Staff

The increase in the number of women in the employment market is disclosed in a report of the Manpower Services Commission, published yesterday.

The report says that the number of women in employment has risen by 100,000 in the last year, to 2,500,000. It also says that the number of women in the workforce is now 40 per cent of the total workforce.

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## Sickness insurance in NHS urged

By John Roper  
Health Services Correspondent

There should be a gradual introduction over the next 10 years of a system of sickness insurance in the National Health Service, the Conservative Medical Society says in its evidence to the royal commission on the service, published yesterday.

The society says it is concerned that adequate health care should continue to be available to all, whatever their means, but that the NHS should provide a basic service and charges should be made where people could pay.

There is no incentive for patients to make fewer demands; the society encourages patients and doctors to have no incentive to be economical, the document says. There is need to make the user see the relationship between what he pays and what he gets, and the system of charges, it continues.

## Spending cut may force new hospital to stay shut

From Our Correspondent  
Oxford

Oxford's new £25m teaching hospital may have to stay shut because it would cost too much to run.

A report issued yesterday by Oxfordshire Area Health Authority estimates that it would cost at least £1.5m a year to open, and about £250,000 a year if it stays shut. Whatever the decision, there is no money to cover the extra expense. The authority is already struggling with an estimated deficit this year of £750,000.

The report examines possible cuts in other services that could be used to finance the John Radcliffe Hospital, phase two, and concludes that £353,000 could reasonably be saved.

## Most school-leavers 'politically illiterate'

By Diana Geddes  
Education Correspondent

Most young people are leaving school politically and economically illiterate, the TUC says in an 11-page "note of comment" on the Government's Green Paper on education in schools, published today.

The Green Paper had failed to identify the proper role for schools in preparing young people to play their part in maintaining social progress and, in particular, to meet the challenge of industrial regeneration, it says. Yet that was the greatest single issue raised by the Prime Minister in his speech at Ruskin College, Oxford, last October.

Other main points in the TUC's document, which has been submitted to the Government, are a call for immediate action gradually to phase out the independent schools; wider powers for the Secretary of State for Education and Science to back the initiatives called for by the Government in the Green Paper; and mandatory educational maintenance allowances for children wishing to continue in full-time further education after leaving school.

## Travellers may need to pay for inoculations

By Our Health Services Correspondent

Decisions on many matters other than pay, income policy and trade union matters will be made by the 1,100 doctors meeting for their four craft conferences and the policy-making "Doctors' parliament" in Glasgow last week.

The family doctors' conference agreed unanimously that people who require immunizations for foreign travel should pay for the inoculation, which at present may be obtained under the National Health Service.

Approval for the change will be sought immediately from the Department of Health. Charges would range from £2.50 to £5.

It was announced that the department has agreed in principle that general practitioners would be helped in the practice should be paid.

## complaints upheld

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Twenty-two of the 77 complaints dealt with during the year by the Ombudsman, the Parliamentary Commissioner for Administration, were upheld in favour of the Department of Health and Social Security, on complaints were made the Inland Revenue.

Complaints were upheld in 23 instances and in a number of instances the department agreed to make compensation for delays and inconvenience caused to complainants.

In other instances the commissioner, whose fourth report for the session 1976-1977 was published yesterday, says that apologies conveyed through his office are sufficient.

## Tax fear led man to kill wife and daughter

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Sentencing Mr Mawbey, of Dorchester Road, Hornchurch, London, to life imprisonment for manslaughter, the judge said: "You were out of your mind at the time, but I have to ensure that this sort of thing does not happen again."

## Cash option for over 54,000 disabled drivers

By Our Social Services Correspondent

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The new cash option, announced in a Commons written reply by Mr Morris, Under-Secretary of State for the Disabled, will allow some disabled drivers to qualify for the allowance even if they would not meet the medical conditions, which are stricter for the mobility allowance than they were for the invalidity certificate.

The people affected by the change include 20,000 invalid tricycle drivers, many of whom would formerly have lost their vehicles when they lost their jobs or retired.

## MPs want reform farm policy

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The House of Commons has agreed to a motion calling for a radical reform of the Common Agricultural Policy (CAP) of the European Community.

The motion, introduced by Mr. [Name], calls for a radical reform of the CAP, which is the main source of income for many farmers in the UK.

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Young people on an archaeological dig at early Iron Age earthworks at Chanctonbury Ring, West Sussex, before tree replanting.



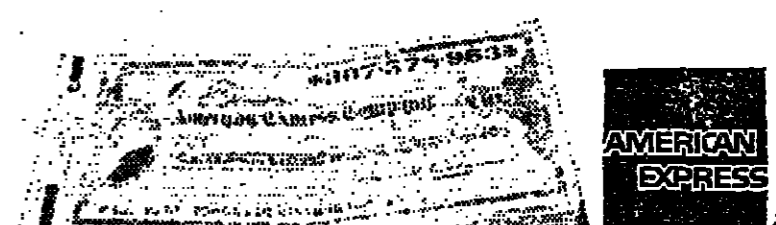
## While the fluff saps the mark, the dip rips the wad

That's when you'll be glad your money was in American Express Travellers Cheques. Professional thieves have their own jargon for a pick-pocket operation. One that spells nothing but trouble. If a team makes you its target when you're abroad, they mean business and your wallet's as good as gone. And if you're accustomed to carrying cash, personal cheques, or even ordinary travellers cheques, the loss could ruin your holiday.

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3. American Express Travellers Cheques come in seven major international currencies: Sterling, U.S. and Canadian Dollars, German Marks, Swiss Francs, French Francs and Japanese Yen. So you benefit by carrying the currency of your choice, avoiding loss from fluctuating exchange rates.
4. American Express Travellers Cheques are welcomed as payment by more people around the world than any other travellers cheques. Don't leave home without them.



Insist on American Express Travellers Cheques



OVERSEAS

# Mr Bhutto and 15 other political leaders are released to prepare for election campaign

Our Correspondent  
Karachi, July 28

Bhutto, the deposed Minister, and five members of his Cabinet who were released today after General Zia-ul-Haq, the military ruler of Pakistan, had met them to discuss the lifting of martial law and the restrictions on political activity.

Mr Bhutto and 15 other political leaders were released today after General Zia-ul-Haq, the military ruler of Pakistan, had met them to discuss the lifting of martial law and the restrictions on political activity.

Mr Bhutto is staying in Islamabad, but he is expected to fly to Lahore by way of the Pakistan National Alliance politicians, including the president, Maulana Muhammad, are reported to be planning to leave the country for London to meet the British Prime Minister, Mr James Callaghan, and to discuss the situation in Pakistan.

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His property destroyed by the flames, a Santa Barbara resident surveys the blackened ruins left behind by the brush fire.

## Kite caused California fire disaster

Santa Barbara, California, July 28.—Investigators say a kite, blown into a high-voltage power line and set ablaze late on Tuesday, started the brush fire here which destroyed or damaged 385 homes and other structures and injured 22 people.

The fire also engulfed 740 acres of brush and forced 3,000 persons to be evacuated. Damage is estimated at between \$20m (about £11,420,000) and \$50m.

The blaze was declared fully under control today and most of the 1,100 firefighters involved began going home. Officials said that remaining "hot spots" were being tamped down, but there were no flames.

## In brief

### Olympic Airways strike ends

Athens, July 28.—Olympic Airways, the Greek national airline, resumed normal services today after about 1,000 cabin staff called off a strike for better pay and pensions. The strike began on Saturday.

### More pipeline arrests

Fairbanks, Alaska, July 28.—Police have arrested two more men in connection with a series of bomb attacks on the new Alaska oil pipeline. They named the men as William Freeman, aged 21, and Donald Drum, aged 19, and said they had been charged with malicious destruction of property.

### The Emperor's clothes

Paris, July 28.—Three white silk suits ordered by Emperor Bokassa of the Central African Empire left Paris by air for Bangui, accompanied by the senior cutter from M. Pierre Cardin's salon.

### Andreotti visit ends

Washington, July 28.—Signor Andreotti, the Italian Prime Minister, flew back to Europe after two days of talks here, with a pledge from President Carter of American help in finding ways to meet his country's nuclear energy needs.

### Border shooting

Nairobi, July 28.—At least one Tanzanian was killed and two were injured in an exchange of fire by Kenyan and Tanzanian security forces near the border town of Taveta, the Kenyan Parliament was told here.

### Moving mountains

Moscow, July 28.—Two mountain ranges in Central Asia—the Pamirs and the Tien Shan—are moving towards each other at the rate of more than one centimetre a year, Tass said.

### Murdoch novel banned

Cape Town, July 28.—Iris Murdoch's novel, *The Nice and The Good*, first published in 1968, is among the latest list of books banned by South African censors.

### More flee Angola

Johannesburg, July 28.—Another 75 Angolan refugees have fled into South-West Africa (Namibia), bringing the total to the latest week, about 600, radio reports said here.

## Somali rebels claim many Ethiopian dead

Mogadishu, July 28.—Somali insurgents claimed today to have killed and captured more than 1,000 Ethiopian troops in savage battles spreading throughout eastern Ethiopia.

The Western Somali Liberation Front said that it had annihilated a big force of Ethiopian paratroops in a battle for the town of Daghabur.

It added that in scattered fights in Bale province, 250 miles south of Daghabur, 810 Ethiopians had been killed and 10 townships captured.

The Somali Government denied Ethiopian allegations that it has thrown its regular troops and MIG jet aircraft into the war for the Ogaden region, which is believed to be rich in minerals, including oil.

The isolated townships named by the Liberation Front included Addis Ababa: Ethiopian forces had killed more than 300 Somali regular troops and destroyed 17 tanks and a troop carrier in fighting around Daghabur and other Ogaden towns, the official Ethiopian news agency said.

The Government meanwhile denied the Somali claim that three fighters had been shot down, but confirmed that a Hercules and a civilian airliner had been lost.—Reuter and Agence France-Presse.

## Britain and Guatemala lower Belize tension

Guatemala City, July 28.—Britain and Guatemala agreed today to take steps to reduce the tension between their forces on the border of Belize, and also to continue negotiations on the future of the colony.

According to a communiqué issued at the end of a three-day visit here by Mr Edward Rowlands, Minister of State at the Foreign Office, Guatemala appeared to have dropped its demand for the immediate withdrawal of troops and reinforcements from Belize earlier this month, as a condition for continuing negotiations.

Mr Rowlands told a press conference before leaving for home today that the troops would stay for the time being, but he hoped an improvement in relations between the two countries would allow a gradual reduction of the British garrison.

The reinforcements were sent to Belize at the time of a meeting between Mr Rowlands and Señor Adolfo Molina Orantes, the Guatemalan Foreign Minister, in Washington on July 7, after a series of threatening statements by Guatemalan leaders.

Guatemala has frequently threatened to invade Belize, to which it has a territorial claim dating back more than a century, if Britain grants the colony independence unilaterally.

Mr Rowlands said he had given Señor Molina Orantes and President Kjell Eugenio Laugerud clear assurances that Britain had no aggressive intentions. "The British Government is not an aggressor, will not be an aggressor, will not intimidate or apply military pressure on the negotiations," he told the press conference.

In his view, the most important element in the communiqué was the statement: "The parties renewed their firm intention of continuing the process of negotiations with a view to finding mutually acceptable solutions." He also underlined the importance of the paragraph dealing with tension on the border.

The communiqué read: "Particular and special attention was paid to the border area where it could be feared that incidents or misunderstandings could lead to greater tensions and might endanger the situation. In this regard both sides agreed to make special efforts to ensure that such incidents should not occur."

Mr Rowlands said no date or place for the next ministerial meeting had been set, but the two sides would continue talks through official channels in the coming weeks to try to improve mutual understanding and communication between them.

In the communiqué the two sides also agreed on the need for "a quick, just and honourable solution to the controversy."

Mr Rowlands was cautiously optimistic that the Guatemalans were now willing to negotiate seriously about the future of Belize with a view to settling the dispute finally.

The British view is that Guatemala finds its increasing international isolation on Belize embarrassing, but at the same time the problem remains of finding a face-saving settlement.

The sources said the British aim was some kind of special association or relationship between an independent Belize and Guatemala. But they emphasized that the British did not intend to surrender the territory to its larger neighbour against the wishes of its people.

At the press conference Mr Rowlands emphasized Britain's determination to defend Belize, but he also stated that he looked forward to the day when there are no British troops in Belize.

He said the British believed that despite its smallness, Belize could be economically viable as an independent state.—Reuter.

## Groucho Marx legal battle ends

Beverly Hills, California, July 28.—Groucho Marx's 27-year-old grandson was named permanent conservator of his personal affairs yesterday during a 40-minute court hearing held in the comedian's hospital room.

## Drugs case man murdered in Atlanta prison

Atlanta, July 28.—Vincent Papa, a central figure in the "French connexion" drug case, was stabbed to death on Tuesday at the Atlanta federal prison while walking down a dark driveway to a recreation field, it was announced here by prison officials.

Mr Arthur Marx, aged 56, the comedian's son, and Miss Erin Fleming, aged 37, his secretary and companion, both withdrew their applications to be made conservator.

Mr Papa, aged 59, was stabbed at least eight times with three home-made knives found near the body.

The grandson, Mr Andrew Marx, is a songwriter and composer. His appointment apparently ends a five-month legal battle between Mr Arthur Marx and Miss Fleming, who was removed as temporary conservator last April after court testimony from household employees that she had physically and verbally abused him.

Mr Papa, who had served four years of a 22-year sentence for narcotics and income tax violations, was a central figure in the investigation into the theft of 398lb of confiscated heroin and cocaine from the New York City police property office between 1969 and 1972. Some of the drugs had been seized in the "French connexion" case.—UPI.

# EMPLOYERS

## The Job Release Scheme for Assisted Areas has been extended until 31 March 1978

This scheme is applicable to full-time workers in the Assisted Areas of Great Britain. You will find details of the Assisted Areas on the map and in the leaflet referred to below. Separate arrangements apply in Northern Ireland.

The Job Release Scheme offers men aged 64 and women aged 59 on or before 31 March 1978 the opportunity to stop work up to a year before reaching statutory pensionable age—and get paid for it. From now until 14 November they'll get £23 a week tax free, rising to £26.50 from that date. While receiving this allowance they must undertake not to claim any benefit for unemployment or incapacity, or to engage in any paid employment or business on their own account where earnings exceed £4 a week.

If any of your workers decide that the scheme will benefit them, they will need your agreement before they can give up their jobs. Taking part in the scheme is entirely voluntary in both cases. If you agree to their leaving, you must recruit people from the unemployed register to replace them—though not necessarily for the same jobs.

Your employees wishing to be considered must apply by 31 March 1978. Leaflets with full details of the Job Release Scheme are available from any Employment Office, Jobcentre or Unemployment Benefit Office. Just ask for copies of 'Job Release Scheme: Employed People' or ring 01-214 6403 or 01-214 6497 for information.

**JOB RELEASE SCHEME**

Department of Employment DE







SPORT

# Lib Ra provides clues to solve difficult puzzle

Michael Phillips  
Correspondent

Over a mile and a quarter race at Goodwood today, a difficult puzzle is being solved. The puzzle is the identity of the horse that won the race. The puzzle is the identity of the horse that won the race. The puzzle is the identity of the horse that won the race.

Tully it is possible to argue that Lib Ra can beat Ad Lib Ra. Through Tully, whom Ad Lib Ra beat at Royal Ascot and whom Revolver beat at York, Revolver may have as much as the 10 in hand this afternoon. But I know that Ad Lib Ra was not quite to his trainer's liking when he ran at Royal Ascot and furthermore it seems to me that Piggott is worth a few pounds when it comes to race riding around a course as difficult as Goodwood.



Tobique (right) wins the Southern Handicap at Goodwood

With Ryan Price's two-year-old beginning to his form with a vengeance I will not be surprised if the nice American-bred filly, Caraculana, gives both Daring Lass and Santa Caterina plenty to think about.

Two and a half lengths by his rival at Cheltenham in May. They will be racing at Newmarket this evening when Head First (7.45) and Roscoe Blake (8.45) look the two best bets. Head First has won her last two races and, as before a daughter of that good stayer, Guillemina, she also says well. The conditions of the Running Gap Stakes suit her. Roscoe Blake ran well enough in his first and only race so far when he finished third behind Shirley Heights at Newmarket to suggest that he ought to win the Beacon Maiden Stakes.

# Naught finally for Aston Villa

Michael Phillips  
Correspondent

After a long wait, Aston Villa finally secured a victory in their match against Arsenal.

# Baron finds experts

Michael Seely  
The breeding experts included Baron's trainer, Bruce, were convinced that the four-year-old convincingly won the race.

# th knocks out in junior event

Michael Phillips  
Correspondent

The horse knocked out in the junior event, providing a surprise result.

# Goodwood programme

- [Television (BBC 1): 2.30, 3.5, 3.35 and 4.5 races]
- 2.0 SELBY STAKES (2-y-o fillies: £2,077: 6f)
- 2.30 SURPRISE STAKES (3-y-o: £1,704: 1m)
- 3.5 EXTEL HANDICAP (3-y-o: £8,623: 1 1/4m)
- 4.05 DANDIZETTE HANDICAP (3-y-o fillies: £1,657: 1m)
- 4.35 ALBERT HANDICAP (£1,991: 7f)
- 5.05 COCKING HANDICAP (2-y-o: £1,727: 5f)

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# Newmarket programme

- 6.15 SIDE HILL HANDICAP (3-y-o: £636: 1 1/4m)
- 6.45 BUNBURY STAKES (3-y-o fillies: £1,121: 1m)
- 7.15 LAVENHAM HANDICAP (£1,676: 6f)
- 7.45 RUNNING GAP STAKES (3-y-o: £1,629: 1 1/4m)

# Thirsk programme

- 2.15 TOPCLIFFE STAKES (2-y-o: £725: 7f)
- 2.45 COWSEY HANDICAP (£738: 7f)
- 3.15 THOMAS LORD HANDICAP (£1,308: 1 1/4m)
- 3.45 BEADLE STAKES (3-y-o: £809: 1 1/4m)

# 8.15 PAMPIS HANDICAP (£1,314: 1m)

- 8.15 PAMPIS HANDICAP (£1,314: 1m)
- 8.45 BEACON STAKES (2-y-o maidens: £1,602: 7f)

# Newmarket selections

By Our Racing Correspondent  
6.15 Trumani. 6.45 Supper Time. 7.15 Muster Lane. 7.45 Head First. 8.15 Rose Track. 8.45 Roscoe Blake.

# By Our Newmarket Correspondent

6.15 Trumani. 6.45 Supper Time. 7.15 Muster Lane. 7.45 Head First. 8.15 Rose Track. 8.45 Roscoe Blake.

# 4.15 SUTTON HANDICAP (3-y-o: £1,310: 5f)

- 4.15 SUTTON HANDICAP (3-y-o: £1,310: 5f)
- 4.45 SERRA STAKES (2-y-o: £1,438: 7f)

# Thirsk selections

By Our Racing Correspondent  
2.15 Directiva. 2.45 Gold Loom. 3.15 Aviator. 3.45 El Baygo. 4.15 Geopella. 4.45 Grovenhage.

# By Our Newmarket Correspondent

2.15 Directiva. 2.45 Gold Loom. 3.15 Aviator. 3.45 El Baygo. 4.15 Geopella. 4.45 Grovenhage.



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Choosing your skiing holiday this year—even paying for it—could be easier than it's ever been before. This winter's Thomson programme offers 6 countries, 33 resorts, 93 hotels. Even 4 departure airports. Of those 33 resorts some are ideal for beginners, some for experts, most for intermediates. You can choose between full board, half board, bed and breakfast and self catering. And as for cost, not only are brochure prices guaranteed free from currency surcharge, they're usually far and away the lowest on the market. A week in the ideal beginner's village of Söll starts at £59 for 7 nights b&b. Your average skier could hit Courmayeur from £73. And your actual wedeler could risk his neck in Val d'Isère for a modest £99. Not only that, book by the end of August and you save £5 on any 10, 11 and 14 night holiday. See your travel agent quickly for the Thomson Wintersports brochure and you're off.

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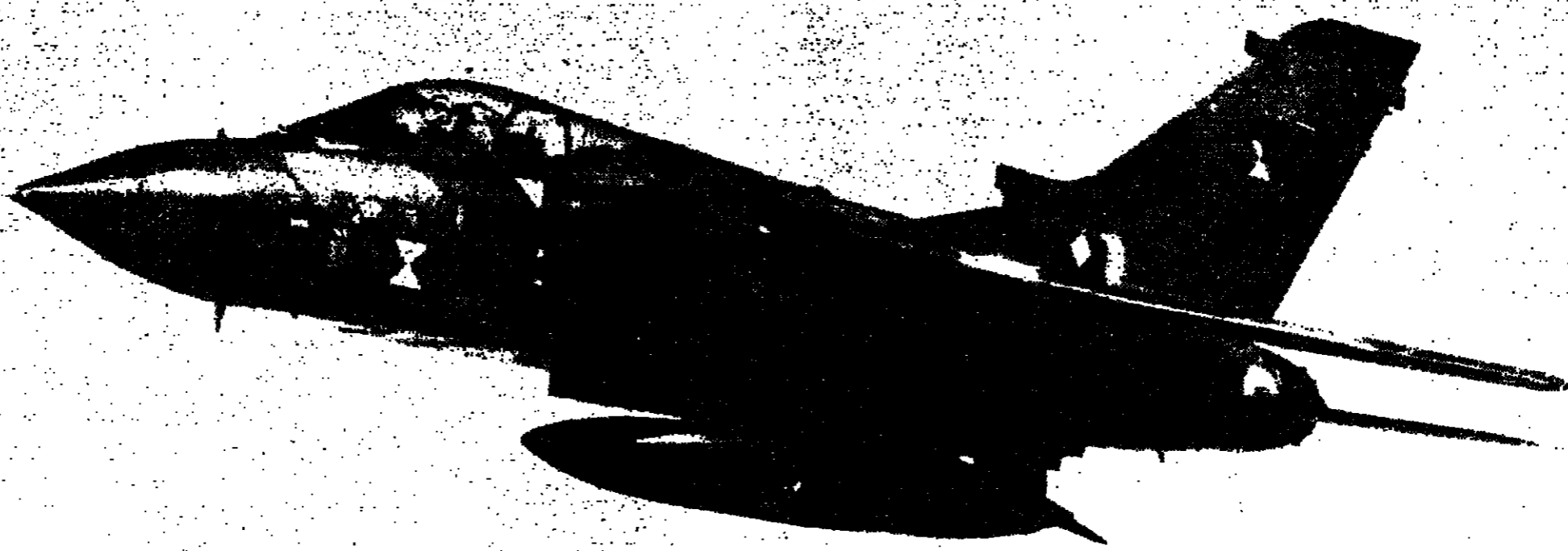
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a Special  
Report



The swing-wing Tornado is being built by a tri-national European company to enter service with the RAF, the German Air Force and Navy, and the Italian Air Force in the late 1970s

## Future offers enough pale blue sky to make a pair of airman's trousers

The Royal Air Force is emerging from one of the cloudiest in its short history, which its purpose means of achieving purpose have been open to doubt. No one pretends that the sky is entirely cloudless but at least there is a pale blue sky to a pair of airman's

culities over the past years have been both moral and philosophical. For two services have many problems too, but the RAF they have inherited that much more heavily. The 1960s saw the end of the TSR2 programme, the loss of the Phantom, the loss of the Phantom's job as custodian of the nation's strategic nuclear deterrent, admittedly a valuable asset, which passed to the Royal Navy.

the 1970s, after a period of defence cuts and imposed economies, the defence review to all reviews, which to seemed better calculated to end the RAF. The half the transport along with 15,000 jobs logical extension of the West of Suez policy, also entailed surgery which the service has fully recovered.

result the size of the  
as fallen from 112,000  
to 87,000 today—and  
down to a predicted  
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ever, things are looking up. The Tornado comes into service at the end of the decade, replacing aircraft like the Vulcan and the Canberra or the aging Buccaneer—and the Phantoms and the Lightning, too. The rationalization of aircraft types will in itself bring greater efficiency.

RAF is also happy  
the decision over the  
as the next airborne  
warning (AEW) air-

craft—happy not only because a decision has at last been taken but also because the modified Nimrod sounds at least as good an alternative to Britain's national requirements as the American airborne early warning and control system (AWACS).

Recruiting for airman has gone well for several years. There have been shortages of certain trades, such as direct entry technicians, clerks and musicians. But in general terms the RAF has had no difficulty. The skilled training provided by the RAF is still a powerful incentive to young men who one day may hope to leave the services for remuneration civilian jobs outside.

Recruiting for the Women's Royal Air Force (WRAF) has gone so well that the WRAF does not even have to advertise.

Bright young officers have also been found without too

much difficulty in the past few years. The romance of flying coupled with the security and respectability of the job and the prospect of a reasonable second career outside have made up an attractive package. The adverse publicity caused by

This year's officer intake has risen by as much as 50 per cent however, as the RAF, having taken up the slack caused by the cuts, has started to expand again. So far the response has been disquieting. There are shortages of education officers, medical officers and electronic engineers—none of which is particularly surprising. More disturbing is a

Not only has the quantity

gone down, but so has the quality during the past six to 12 months—as if the suddenly raised intake level had been too much for the pool of suitable applicants. A number of officers are already gloomily attributing the shortage of suitable

Another effect of the cuts has been that by altering the shape of the service they have restricted the options open to the RAF in trying to place a young pilot. For instance, only 50 per cent of RAF aircraft in the past were fast combat jets demanding the highest skills from their pilots.

did not measure up to these standards during training

could still find worthwhile jobs flying some of the other less demanding models. But the cuts in the transport fleet have shifted the balance to such an extent that 30 per cent of the aircraft inventory now consists of fast jets. As a result, the failure rate of

There are adjustments which can be made to selection procedures. For instance, the RAF can downgrade the value of "officer qualities" in assessing a recruit—provided that he has compensating factors which could make him a first-class pilot. After all it is very possible that he will mature into a good officer, too, during the two and a half years he will have to spend on pilot training before passing into a operational squadron.

At present the RAF calculates that out of nine inquiries

men searching for a career, some four and a half actually make a serious application for a commission. Of these only one finally emerges as a pilot officer after selection and training. But then more than £500,000 to train

For identical reasons a convincing has to be carefully designed not just to encourage boys to apply but to encourage the right boys. It has to reassure those who might underrate their own chances of passing through rigorous selection procedures and training programmes. But it also has to deter those young Walter Mittys who

Battle of Britain fantasi  
may bear little relation

The shape of the RAF has changed in all ways during recent years. Only the year, Training Command was merged with Support

was merged with Supply Command to leave the service with only two big marine commands, Support and Strike, apart from RAF Germany. The Royal Navy has a similar structure, with Fleet and Home commands, and indeed the Army too has seen its command headquarters contract into two main commands, BAOR in West Germany and United Kingdom Land Forces at home.

RAF Strike Command is divided into four main groups. No 1 Group has headquarters at Bawtry and presides the home-based strike

force of Vulcans, Bucca  
to eers, Canberra reconna

sance aircraft and Victor tankers, and will be the first command to receive the new Tornado in a few years' time. No 11 Group, the air defence department, now with Phantoms, Lightning and Bloodhound missiles, whose headquarters

No 18 Group, which includes Nimrod maritime patrol aircraft and search and rescue helicopters, is RAF's link with the Royal Navy, and its headquarters are co-located with Navy's Fleet command chief at Northwood, Middlesex. Most group commands are two-star air vice-marshals—equal in rank to the major generals who command divisions in the Army. But the Air Officer Commanding (AOC) 11 Group is awarded a three-star air marshal's rank.

because he also wears a N  
hat as Commander

But in terms of individual skill and indeed so far morale as well, the 1st remains a front line force with considerable value to Nato. Its recent past has been particularly happy. It was not so long ago that it was suggested not for

was suggested, not for the first time, that the RAF should allow most of its strength to be handed over to the other services.

But there is enthusiasm for the future, particularly now that the service is beginning to expand. It takes again after the 1974-75 review. "Per ardua astra" is the RAF motto. As one officer said the other day, with so much "astr" behind them they are "astr" to look towards "astra" again.

**Henry Stanho**

**Henry Stanning**  
Defence Correspondent

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The finest search and rescue helicopter in the world

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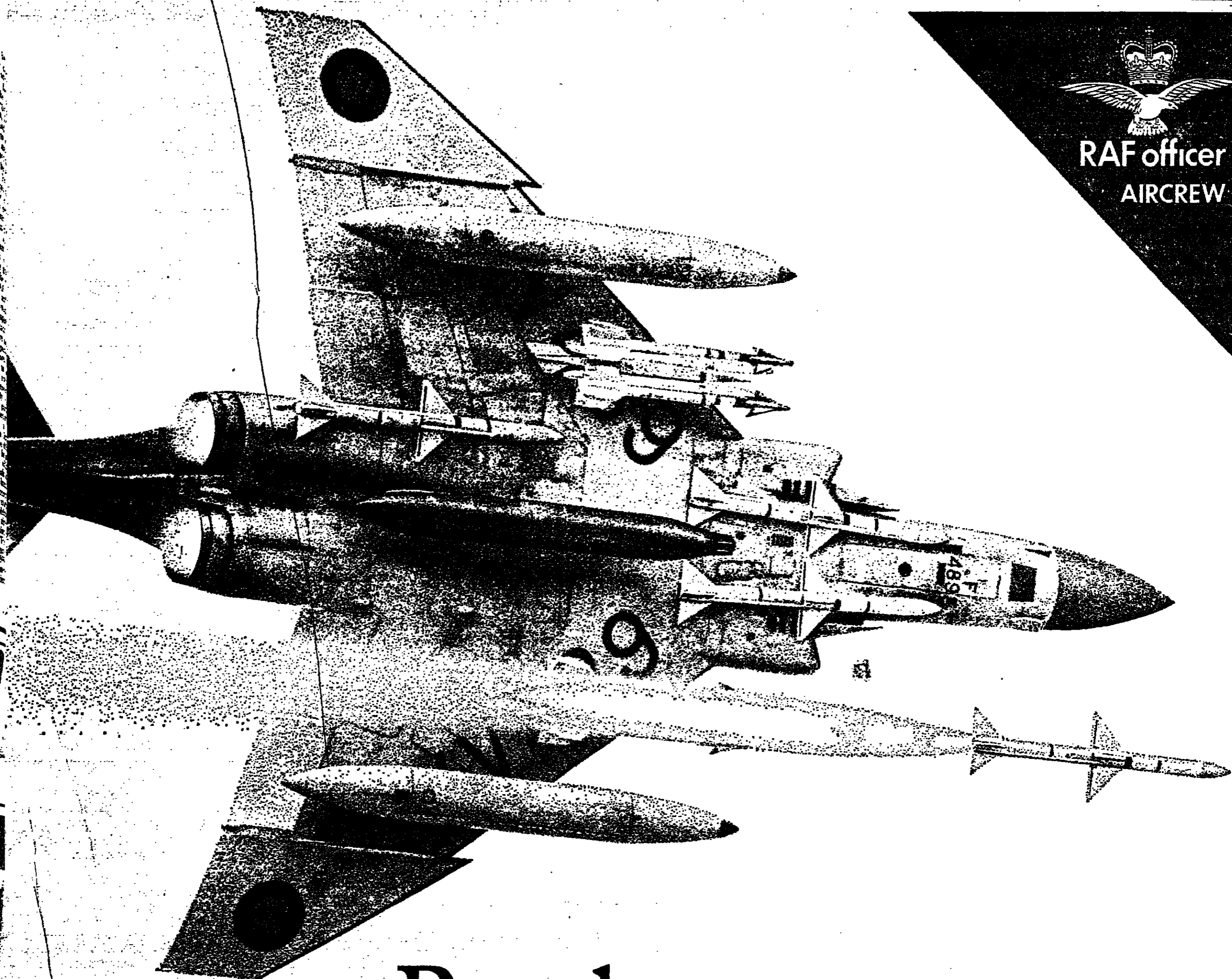
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# Peacekeeper.

## THE CHALLENGE

The RAF is a fighting force. But never having to fight would be the greatest victory of all. However, we still live in a violent and threatening world. The possibility of aggression cannot be ignored and we must show our willingness to resist. As an aircrew officer in the RAF you would be trained for this task.



## THE TRAINING

Following your initial Officer Training at Cranwell or Henlow, you will learn to fly on Jet Provosts. From here you move on to Advanced Flying and Weapons Training; only when you have mastered this will you go on to an Operational

Conversion Unit. Then, if you've got what it takes, you will join your squadron with the satisfaction of knowing that you belong to an elite body of men.

## THE TASK

You might, for example, join a Phantom Squadron of the Interceptor Alert Force. Your job, in peacetime, to intercept and identify intruders approaching our airspace. When the order to scramble is given an instant response is required. There are aircraft and crews on alert 24 hours a day, every day of the year.

When airborne you are guided to your target by fighter controllers, but once you gain visual contact you are on your own. Just you, your quarry and a lot of weaponry. The Phantom carries four Sidewinders as well as Sparrow air-to-air missiles and a centre line gun pod. Your task is to shadow and escort the intruder, giving visible evidence of the RAF's state of readiness to react if so ordered. 30,000 feet above the North Atlantic may not be the best place for calm diplomacy, but that's what we expect of you.

## THE WIDER ISSUES

As you progress through the RAF you will be expected to broaden your responsibilities. For example, as a Squadron Commander you would not only have to lead your squadron in the air but would also be accountable for its effective operational response. At this level you will appreciate the wider issues confronting the RAF in its role as part of NATO's air defence system.

In times of peace, the country's defences must always be ready; because preparedness for war is the only effective deterrent.

## WHAT TO DO

If the challenge of doing something practical about the defence of this country fits your thinking and ambition, talk it over with your careers adviser or go along to your nearest RAF Careers Information Office - address in phone book - and make an appointment to see the officer in charge. Or write to Group Captain H. E. Boothby at the address below.

You should have 5 or more acceptable GCE O-levels, or equivalent, at Grade C or above, and subjects must include English Language and Maths; or equivalent. If you can offer A-levels or a degree, so much the better.

To: Group Captain H. E. Boothby, OBE, ADC, BA, RAF, Officer Careers (9/423/1), London Road, Stanmore, Middx. HA7 4PZ. Please send me information about aircrew officer careers. I enclose a separate note listing my present and/or intended qualifications.

Name \_\_\_\_\_

Address \_\_\_\_\_

Date of birth \_\_\_\_\_ (Age limits 17-23½)

(Formal application must be made in the UK)

## ONLY SO MANY CAN BECOME THE FEW

## Roles are support, search and rescue

The helicopter forces of the RAF have two main roles, both of which can only grow in importance. They are supporting the army in the field, mainly in Germany, and carrying out search and rescue duties both inland and around the coasts of Britain.

In the support role, the RAF uses two main types of helicopter, the Anglo-French Puma and the Westland Wessex. These are based in Germany and Britain, although the latter force can be sent to the Rhine at short notice.

For search and rescue, the aircraft used are Wessex and Westland Whirlwinds. Four of the six squadrons flying Whirlwinds are to be converted to the much larger Sea Kings between mid-1978 and 1979.

In the battlefield, the Pumas and Wessex have a role which is essentially logistical—moving troops and supplies. Although armed with light machine guns they are not expected to go on to the attack, a task which is delegated to the Army Air Corps.

Secondary battlefield roles are many and various including casualty evacuation, reconnaissance, search and rescue and communications. The Puma is one of the projects to emerge from the military helicopter agreement which Britain and France signed in the 1960s, the other types being the Lynx and the Gazelle. Based on a design by the French company Aerospatiale, it was made jointly by that company and Westland. The first

to be assembled by the British company made its maiden flight in November 1970.

It is powered by two 1320 hp Turbomeca Turmo 111 C4 jets and has a maximum speed at sea level of 174 mph, and a maximum cruise speed of 165 mph.

Forty are being delivered to the RAF, and a further 130 to the French Army. A number of other military forces throughout the world, including those of Portugal, South Africa, and Zaire, have ordered Pumas, while it is also being produced in a civil version able to carry 17 passengers over 217 miles.

In service with the RAF, the Puma carries 16 troops, or the Nato light gun slung underneath its fuselage—a load of up to 5,500 lb. The Wessex, an older design

than the Puma, is able to pick up 10 troops or 3,000 lb of freight.

Both aircraft can be adapted in about 10 minutes to carry stretchers. In time of war, both types would operate from fixed bases or rough sites near the battle front.

The air staff is considering the requirement for a bigger helicopter for the battlefield role, and the choice will almost certainly fall on the American Chinook. The need is for about 30 of these which, as they can carry up to 40 troops at a time, would give an enormous increase to the carrying power of the whole force. The Chinook can also lift 20,000 lb of freight under its fuselage.

Powered by two 3,750 hp Lycoming jets turning two rotors, the Boeing Vertol

Model 114 Chinook is the standard medium transport helicopter of the United States Army, and has already been bought by a number of other foreign forces, including Italy and Iran.

RAF helicopters are based in Cyprus, Hongkong and Northern Ireland, where their roles include the movement of troops, communications, the transport of VIPs, and border surveillance.

In the search and rescue role, the RAF base nine detached flights of two aircraft each around the coast of Britain—apart from the coast between Portsmouth and Cornwall, which is covered by the Navy.

Rescue operations are controlled from two centres, jointly manned by the RAF and the Navy, one near Edinburgh, the other at Plymouth. The official task

for which the RAF search and rescue force is maintained is to rescue military personnel and to carry out Britain's obligations under the regulations of the International Civil Aviation Organization, the United Nations body which controls commercial flying.

But the helicopters go to the aid of anybody who needs help, and their main "clients"—four-fifths out of the 1,000 incidents each year—are civilians, largely small boat sailors, swimmers, or climbers. About 500 people are rescued a year.

Rescues are initiated by a wide variety of bodies, among them the Coastguard, the police, and the public. The RAF prides itself on almost never rejecting a call, however bad the flying conditions might be. The aircraft are expected to be ready in 15 minutes from receiving a call for help, but they are generally airborne within three minutes.

There is no guarantee of operations at night, because the helicopters are not fitted with all the equipment which is demanded for safe operations in the dark, but in practice they usually respond to a call. Night operations in all weather conditions will become routine when the Sea Kings are delivered as they are fitted with the latest automatic flying equipment.

They also have a far longer range than the present equipment and can also carry up to 16 passengers.

Because of the nature of its work, the RAF search and rescue helicopter crews are experts in operating with extreme accuracy in wild weather. Hovering over a ship which is wallowing in heavy seas while a crewman is winched down to bring on board a sick crew member who must be taken ashore for urgent hospital treatment is fairly routine.

Other less glamorous, but nevertheless vital, tasks include rushing kidney machines from one hospital to another, searching for people who have gone missing on wild moorland or cliffs, and directing mountain-rescue teams towards stranded climbers or walkers.

In 1976, the helicopters of the RAF took part in 50 mountain rescue operations and brought to safety 11 people as part of their round-the-clock vigil over the length and breadth of Britain.

Arthur Reed

## Women are more like men—unless they want to be pilots



WRAF safety equipment workers at RAF station, Waddington taking survival packs from a Vulcan aircraft for servicing



A WRAF traffic controller monitoring an aircraft on the precision approach radar.



Testing a life-saving dinghy before it's packed for installation in a Vulcan.

was disbanded, 32,000 women served in its ranks. In 1938 the threat of war caused the Imperial Defence Committee to alter its view of women's role in the services in times of peace as well as war and a Royal Warrant brought the Auxiliary Territorial Service into being. By 1940 the ATS had some 270,000 officers and 1,000 women who are enlisted in the RAF and provide medical staff for RAF hospitals and medical centres. There are five such hospitals in the United Kingdom, one in Germany and one in Cyprus. There are maternity centres in all RAF hospitals and a specialized nursing unit at a renal dialysis unit and a surgery centre at a PMRAFNS hospital at Halton.

Diana Pa

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Guillemots, cleaned of oil by the RSPCA, being released on the Goodwin Sands by the RAF.

## Training now under one wing

Compared with the usually undramatic progress of training in the RAF, the past few months may have seemed an upheaval. At midnight on June 12, RAF Training Command ceased to exist as such and all its functions were merged with those of the old Support Command to make a new Support Command which, it is estimated, will save £1m a year.

Three weeks later, on July 4, triple milestones were passed in the reequipping of the RAF training organization. Britain's latest jet aircraft the British Aerospace (see Hawker Siddeley) Hawk advanced trainer, took off for the first time with a student at the controls, an occasion which brought RAF use of the aircraft up to 1,000 hours. On the same day, a Jetstream twin engine trainer took off with a student at the controls, also for the first time. Despite successive rounds of defence cuts and the changing of nameplates, the Queen's Jubilee year nevertheless sees well over 1,500 aircraft in the RAF inventory, ranging from gliders to nuclear bombers. All need piloting, controlling in the air, supporting in one way or another on the ground, and coordinating with each other, with equipment of the other services

and with allied forces. The new Support Command is thus responsible for training all officers, airmen and airwomen, whatever their branch or trade.

Since September, 1970, the RAF has had two schemes whereby a recruit can become an aircrew officer, one through the universities and the RAF College, Cranwell, and the other for non-graduates, through the Officer Cadet Training Unit (OCTU) at Henlow in Bedfordshire. The so-called direct-entry pilots receive their commissions after a 14 to 16-week course at Henlow and then go to RAF Linton-on-Ouse for 100 hours of flying in the Jet Provost basic training aircraft.

Graduate entrants go to Cranwell for a shortened Jet Provost course directly from the universities, having completed primary flying training (in light, piston-engined Bulldogs) as members of one of the 16 university air squadrons—these units, in fact serve some 47 universities and more than 30 polytechnics. And the graduates fail to achieve the Cranwell entry standard, they too go to Linton-on-Ouse to join the direct-entry candidates.

Pilots are required for three main streams of flying training: the fast jets, such as Jaguars, Harriers, Panthers or, from about 1979, the new Tornados; the heavy, multi-engine aircraft such as Vulcans, Victors, Nimrods or Hercules; and the helicopter



Graduation ceremony at the Henlow, Bedfordshire, Officer Cadet Training Unit.

ters, such as Pumas and Wessex or, from early next year, Sea Kings.

Those selected for the high-performance jets now do a further 45 hours in the Jet Provost and then go to RAF Valley, Anglesey, for a 22-week course and 85 hours of flying in the latest acquisition, the Hawk, now beginning to replace the aging Gnat and Hunters for all advanced training. The multi-engine candidates will go to RAF Leeming, Yorkshire for a 20-week, 45-flying-hours course on the Jetstream.

The helicopter pilots go to Shawbury, Shropshire, for 90 hours on the Whirlwind and are then "streamed" again for specialist training in either the search-and-rescue or Army-support roles.

After completing advanced flying training, and gaining his full "wings", a pilot receives weapon training, and/or operational conversion under the auspices of Strike Command before being posted to a front-line squadron. Considerable running cost and logistic savings are also planned in this area as the Hawk is to be introduced in the Tactical Weapons Unit again to replace the Hunter.

The cost of training a Harrier pilot, for example, up to and including the operational conversion stage, is £642,000, so not only is the selection of the right recruits essential but also the training of and maintaining standards among the instructors. This is the responsibility of the Central Flying School, which now has its headquarters at Cranwell and is moving to Leeming in September.

After initial instructor training, candidates complete a course tailored to the type of aircraft on which they are

selected to instruct, the Jet Provost at Cranwell, Bulldog at Leeming and the university air squadrons, or Hawk at Valley.

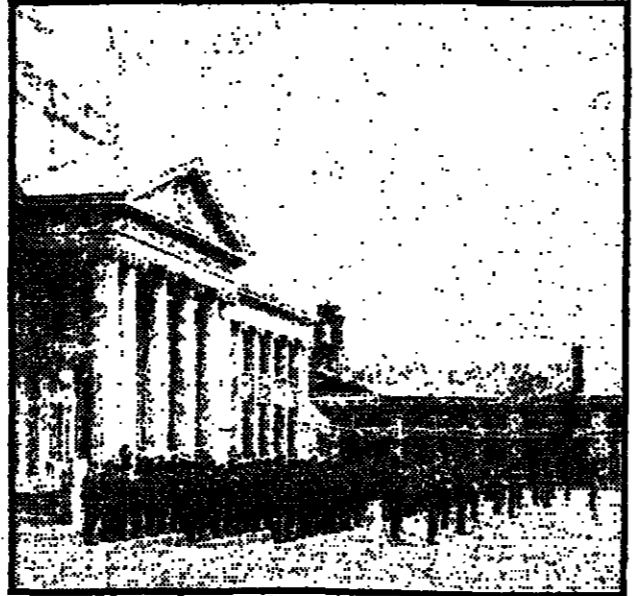
Potential helicopter instructors do an equivalent course on the new Anglo-French Gazelle at Shawbury. Many combat aircraft as well as the transports, bombers and reconnaissance aircraft, still require a navigator or systems operator if they are to operate effectively in all weathers.

At Cranwell an HS125 Dominie squadron flies in support of the Department of Air Warfare which runs postgraduate courses for experienced RAF navigators. The same type of aircraft is used at RAF Finningley for

ab initio navigation instruction as well as refresher training. Furthermore, airborne training is given at Finningley to air engineers and air electronics officers.

The traditional training task of the RAF College concerns the pilots, but a number of others are considered equally important. These include the initial and much postgraduate training of all engineering officers, and all training of supply and secretariat officers, and computer appreciation courses. Nevertheless the RAF nowadays looks to the universities to provide most of the academic training which formerly it gave itself at Cranwell.

In common with all six



The annual prize parade at Cranwell.

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British Limbless Ex-Services Men's Association

GIVE TO THOSE WHO GAVE—PLEASE

هذه ايامنا الصالح

menial of the Lib-Lab pact makes it clear that unless the totally unforeseen there will be no autumn election in that. It has been for some time that for or another a majority House of Commons do to go to the polls in future. That could not be of interest of either the or Liberal parties they could expect to be maulled. It is better their point of view to hang the hope that the economy improve or at least that may turn up.

Any election is probably the interest of the Nationalists so long as they are reasonable in the Parliament. The devolution Bill on to the book. There is the consideration for Plaid through the prospects for devolution must be worse than there are to be the Bills for Scotland and the Ulster Unionist MPs also little party reason to the Government down at the. They have confidence in Roy Mason as Secretary for Northern Ireland, probably have at least as hopes of doing a deal with the Conservatives as with the Ulster Unionists on an interim for the province, as securing better representation for Northern Ireland at Westminster, and a number of are uncertain how they will the next election.

The extension of the agreement between the Government and the Liberals into the next parliamentary session confirms the political realities at Westminster. But it has always been claimed that the pact is much more than a device for avoiding the embarrassment of an early election. It has been presented as a means of giving the Liberals a degree of effective influence on the conduct of affairs and as an arrangement that is more broadly in the national interest.

There is no doubt that the balance of forces in the House of Commons has prevented the Government from doing some things that they, or at least a number of their supporters, would have liked. The nationalization of water supplies provides a recent example. In point, the Government announced a fortnight ago that their consultation would show that "such a proposal, at this time will not gain sufficient parliamentary support". But it is necessary to distinguish between the limitations imposed on a minority administration and the influence directly conferred by the Lib-Lab pact. The evidence suggests that their lack of a majority in the Commons has naturally inhibited the Government but that the elaborate procedures of consultation under the pact have not enabled the Liberals to exert much positive influence on the course of policy.

It is presumably in order to give the arrangement a more constructive appearance that Mr David Steel has listed a number of items on which he expects the Government to act in the course of the next session. But as there is no commitment on either side to accept the views of the other on any particular issue such a list can mean anything or nothing. What matters is the degree of political pressure that the Liberals are able to exert in order to turn the Government's somewhat vague assurances into action. Their chances of doing so should have been increased by their refusal to extend the pact for any specific period. In fact at least the agreement has become conditional on the Government delivering their side of the bargain. But from the Liberal point of view it ought to be disappointing that there is no mention of any improved arrangements for consultation. The existing procedures and methods of servicing have not proved very effective.

But whatever it is that the Liberals see in this extension of the pact in the coming autumn, it is a pity that there will be no autumn election. The objections to an election last spring have lost much of their force now that everyone knows that there can be no phase three of incomes policy and that the Government have been forced against their will to adopt what is in large measure the Conservative strategy for controlling inflation, though only a part of it. Such a strategy would stand a better chance if it were to be implemented in it, rather than the longer the Conservatives have to wait, the stronger their position is likely to be when they come in; the probability is that Mr Callaghan's strategy will turn out to have been one of waiting for things to get worse.

yesterday applied formally for membership of the European Community. This means that there are now three applications to be considered at the next stages of consideration, the other two being Greece and Portugal. That these three are among the dozen or so non-Communist European countries that are not already members, should be the ones to apply now, is at once obvious and worrying for the Community.

It is gratifying because of the large part three of these three were languishing under clerical regimes and would not have been ineligible for regional integration thus worked in favour of democracy and against membership in non-Communist Europe, and this largely due to the European Community's insistence on pluralist rights and respect for human rights as criteria governing external relations. That major achievement which will not forget to give the Community credit for, at times to any other aspects of its performance are being achieved.

It is an achievement which carries with it an obligation insisted for so long democracy is a condition of membership, we should do use of democracy a signal use by refusing to join the new democracies members, once membership is granted by governments with a democratic mandate—as in the case in all three of these is a political situation which seems to be favored by all the existing members of the Community. It is a pity that the government, which was among the first to congratulate and encourage Mr Karamanlis and Dr Soares, has so far appeared to hold aloof from the process of democratization in Spain.

Labour ministers were perhaps so much impressed by the warnings of Señor Felipe Gonzalez at the Blackpool conference last autumn that they failed to notice subsequent political developments in Spain, in which Señor Gonzalez himself has played a full part. Or perhaps they have felt that any display of friendship for Spain would be out of place so long as the blockade of Gibraltar is maintained. If so they were putting the cart before the horse.

The election campaign (in which Gibraltar was wholly ignored) has exposed the allegedly intense and unanimous feelings of all Spaniards on this issue as one of the many myths of the Franco regime. No doubt most Spaniards would agree, if asked, that the rational and desirable solution of the problem would be for Gibraltar to take its place voluntarily in a free Andalusia, within a democratic and decentralized Spanish state. But most would also admit that to maintain an artificial and impenetrable barrier between it and the rest of the peninsula is the least promising procedure for achieving this result. The new Spanish government is quite intelligent enough to see this, and it will be surprising if the border is not quickly reopened once the British government begins to display a positive interest in Anglo-Spanish relations. It is mainly this that Dr Owen should be looking for when he goes to Madrid, and the sooner the better.

What is worrying about the

the Bishop of Stepney, who has been active five years ago, within a few days of the summer, an eight-year-old boy and his mate were drowned in our playing with a plastic mould which looked like a boat. One of the boys was a friend of mine, and I was very at this unnecessary loss of a young life that I wrote to *The Appeal* for support in providing play space and play equipment in all inner city areas.

The result was the launching of a public campaign called "Fair Play for Children", which now has some 400 member groups and hundreds of small community projects all over the country.

Every year some 51,000 children under 14 were killed or injured on our roads. Every year some 150 young children, like Bobby, are accidentally killed.

It is reliably estimated that, because of economic necessity, there are two and a half million children under eleven with working hours.

It is long been confessed that in this country, whilst professing to be deeply about child welfare, in reality the motor car is the enemy and provides (by statute) no space rather than play.

Second, it is right that religious education should be "a dispassionate exploration of religious belief and practice on a par with history and mathematics", as Mr Watkins suggests, but since when have we been so dispassionate in our

to "Fair Play for Children" to be restored.

I remain, Sir, Yours faithfully,  
**TREVOR HUDDLESTON CR.**  
Hon President,  
"Fair Play for Children Campaign"  
248 Kenilworth Road, NWS.

**Worship at schools**

From the Archdeacon of Loughborough

Sir, Mr Watkins' article (July 26) calling for the abolition of compulsory school worship contains at least two fallacies.

"Non-theistic worship" is not worship, it is the commonly accepted sense of the word, which is used to describe an attitude of reverence and awe directed to a Transcendent Being. Even when this is directed "towards goodness, truth and beauty" it is idolatry, from a Christian point of view, if these are considered as ends in themselves, and not regarded as having their origin in a Transcendent Being.

Second, it is right that religious education should be "a dispassionate exploration of religious belief and practice on a par with history and mathematics", as Mr Watkins suggests, but since when have we been so dispassionate in our

From Sir,  
Mr (21) which opposed with the students many in seen this is a small door into these branches in a Berni crible "Musical Cave impr a he stren that show island nishm Brevi

officially told that its permanent subsidy will not end next year. Whilst seeking a permanent subsidy, the council says our campaign has been in mobilizing support for 's rights in that area that's most—the right to play. dreedom, tomorrow is always and for some children will be no tomorrow.

We therefore to appeal for support of your readers and WPA, local authorities and others concerned with the theme of waste space which

documents of waste space (themselves based on sound instruction in the 3-Rs) and for which is now fully recognized) before engaging their pupils in the more exciting task of exploration?

It is this need to teach the rudiments of worship and religious knowledge which the so-called traditionalists are now insisting should have a recognized place in any school curriculum.

Yours sincerely,  
CARROLL LOCKLEY  
1 Kingston Grange Road,  
Leicester.

A. K.  
2 Nov.  
Hamp.

*From Mr Michael Latham, MP for Melton (Conservative)*

Sir, As the sires of all three of the proposed pits in the National Coal Board's 'Belvoir Project' are of my constituency, perhaps I could endorse nearly any measure measured leading article today (July 28). I say "nearly all", because the tentative conclusion in the last paragraph did not appear to be wholly supported by the arguments which had preceded it.

The main issue at stake at Belvoir is that of principle—how much coal will be needed in the 1980s/early 1990s (which is the NCB's most optimistic time scale) for all three pits to be fully operational? Is Belvoir is no longer part of *Plan for Coal* which relates to the period up to 1985. It is now part of the longer term proposals of *Coal for the Future* which deal with the situation up to AD 2000.

That latter document has not been endorsed by the Government, and it contains projections of coal need which have been subjected to considerable criticism. I do not recall by Mr Gerald Manners, of University College, London. Indeed, when I quoted Mr Manners's projections in the House of Commons in a speech on the Second Reading of the *Coal for the Future* Bill on March 1, the Junior Minister involved was subsequently kind enough to write to me saying that the Government's own forecast of coal need in 1985 was in "a range of between 125 and 135 million tons a year". The *Plan for Coal* projected 135 million tons, while Mr Manners considers that only 125 million tons can seriously be marketed, the 10 million ton difference is larger than the whole annual output of Belvoir.

And that argument is about the least likely of the arguments. I do not know how we possibly be sure about the projections of *Coal for the Future* which call for output 20 years hence to be in the range of 135-200 million tons per annum?

Is *Coal for the Future* to be all that is required to meet the needs of the energy case for mining Belvoir would undoubtedly collapse.

The last year to the Secretary of State for the Environment that the Belvoir Project should be examined by a Planning Enquiry Commission set up under the Town and Country Planning Act 1971. That remains my view, and indeed it has been increasingly supported by many different organizations, both in the public and the private sector.

The only serious objection to this proposal has come from the coal industry itself, largely on the grounds that it would add to the time scale of the project. Sir, we are discussing a scheme which would cost hundreds, if not thousands of millions of pounds, for which the time scale of 17 years is a very long time. It is not from obtaining planning permission, and which would irreversibly change a pleasant rural area. A Planning Inquiry Commission might add another year to the public discussion of the proposal, but that is not the issue.

What possible objection can there be to one year's extra examination? It would add weight to the immense decision which will have to be taken by the Environment Secretary of State. It would allow us to remove any constraints, both those for and those against mining, to have their say. It would permit a "national energy audit" similar to that currently in progress over Windscale. And it would set the example for all the other public inquiries which will have to take place in Staffordshire, Oxfordshire, Lincolnshire and elsewhere if the NCB proceed with their other new mining projects in the next few years.

Yours faithfully,  
**MICHAEL LATHAM,**  
House of Commons.

From Mr D. Wedgwood  
Sir, Your correspondent, Mr Ray Ward (July 23), castigates Ronald Kershaw for his ignorance of local government matters in referring to "Grimsby, Lincolnshire" and "Hull and Lincolnshire" and points out that Lincolnshire's boundaries were changed in 1974 and that "Yorkshire ceased to exist at the same time".  
I am afraid that Mr Ward, too, is guilty of neglecting his homework because immediately prior to 1974 Yorkshire did not exist as a local government entity—the geographical area bearing this name was divided into three administrative county areas known as East Riding, North Riding and West Riding each with their own Lord Lieutenants and with separate administrative headquarters, at Beverley, Northallerton and Wakefield respectively.  
As Mr Ward lives in Sheffield I would have expected him to know that this was the case.  
Yours faithfully,  
WEDGWOOD,  
The Gables,  
St Marys,  
Colchester.

Dear Sir,  
 "Oh dear, oh dear, when will  
 people get through their heads" (1)  
 refer to Mr Ward's letter, July 23)  
 that the English counties are  
 historic, and in some cases  
 geographically - founded, entities  
 which with their vast literature and  
 associations cannot be changed. Of  
 course Hull is in Yorkshire, even  
 if it is administered by an organiza-  
 tion which calls itself Humberston  
County Council. On the other  
 hand, the Pennines Manchester has  
 been ruled by the Lancashire  
 County Council for a century or so,  
 nor was it, and ever shall be a  
 great Lancashire city. Nearer home  
 the Berkshire Downs are still in  
 Berkshire even if some of the road  
 winding is organized from Oxford.  
 Reorganization of local government  
 was undoubtedly necessary,  
 but whether the new ones that  
 are created are not the English  
 counties.

Yours faithfully,  
 L. A. BEET,  
 Quicks Green,  
 Sharnbrook.

*From Lord Carr of Hadley*

Sir, Mr Peter Wallington in his letter defending the present degree of unions, makes a point, in support of his case, that "nobody seems to write indignant letters . . . about the unwarranted immunity from the law of conspiracy given to businessmen by the Companies Act." But to draw attention to the position of businessmen under company law and to compare this with the immunity of trade unions surely undermines his case.

Company law, indeed give directors certain important immunities, but in return it places upon them substantial and serious legal obligations and a high degree of public accountability. Most people would probably be happy if a comparable position existed in relation to those affecting trade unions. What worries so many people is not that trade unions should enjoy, under the law, substantial immunities, but that they should not be prepared to accept, in return, obligations under the law equivalent to those on businessmen under the Companies Act and other legislation.

It is this lack of balance between rights and duties and between immunities and obligations which must remain cause for concern in a free society.

Yours faithfully,  
**CARR OF HADLEY,**  
House of Lords.  
July 28.

*From Mr Peter Lilley*

Sir, Professor Hayek's letter (July 21) does us a service by "mentioning the unmentionable"—the harmful consequences of trades unions' peculiar exemption from the law of tort.

But it would be unfortunate if his letter were to reinforce the view that the harm done by this legal exemption falls purely on non-trades unionists and on trades unionists solely in their capacity as citizens. The truth is that, in one major respect, exemption from the law is actually harmful to trades unions as such. It reduces their scope for successful collective bargaining to raise real wages.

This is because trades unions

cannot enter into legally enforceable wage contracts.

Most of us benefit from, and cherish the right to make, legally enforceable contracts in all spheres of commercial life. We know that many mutually beneficial contracts are only negotiable because the other party has the assurance that the courts will force us to keep our side of the bargain. The other party has more than our word to rely on. Trades unions, by contrast, cannot offer an employer any more than their unenforceable and, therefore highly uncertain, promise that a contract will be honoured.

This is not just a theoretical disadvantage—it is probably one of the most important single reasons for the low level of fixed capital investment and real wages in British manufacturing industry. Many UK companies would be prepared to invest in fixed plant if they could negotiate an agreement (possibly indexed) at least during the anticipated payback period of the investment. Unfortunately as the law stands no union can offer such a legally enforceable contract. Consequently, for the company to invest is to risk that the union may, immediately the investment is irrevocably committed, raise wages sufficiently to expropriate the entire increase in value generated by the investment.

It is very significant that in the USA, where trades unions can make legally enforceable contracts, they have taken full advantage of the opportunities this creates to the immense benefit of their members. American unions in manufacturing frequently make medium term contracts (3 to 5 years, which covers the payback period of many investments). The contracts often specify the investments to be made by the company, the incentive to join is reduced and how it is to be split.

Because of the Fateful Law of 1906 British trades unions cannot emulate their American (and continental) counterparts. Surely British trades union leaders with the interests of their members at heart should join Professor Hayek, at least in seeking to bring wage bargains back within the law?

Yours faithfully,  
**PETER LILLEY,**  
The Bow Group,  
240 High Holborn, W.C1.  
July 26.

**Journalists' closed shop**

*From Miss Olga Franklin*

Sir, Many journalists seem unaware that, unhappily, the closed shop already exists in Fleet Street and that it is not so far as the mass circulation papers and magazines are concerned. At one magazine I was asked to state in writing that I was still a member of the NUJ, before my freelance work could be accepted.

As a former paid-up member of the NUJ since 1941 and would now gladly withdraw from a union demanding a closed shop to which I am totally opposed, but if I did this I should no longer be able to continue writing.

Yours sincerely,  
**OLGA FRANKLIN**,  
5 Bishams Court,  
Caterham, Surrey.

*From Mr Eric Winter*

Sir, In Nora Beloff's contribution to the press freedom debate (July 25), she says that the National Union of Journalists' code of conduct has been "used to disqualify 'National' Press members from the NUJ". The only persons so barred are two members of the National Party who work on that party's publications. No other National Front or National Party member has been barred.

Press members who say that the NUJ's National Executive Council decisions on membership "could always" be overridden by the (union's) annual delegate meeting." In fact any appeal against such a decision is determined only by the union's appeals tribunal, and the delegate meeting has no power to overturn that tribunal's findings.

down of press charter talks on the NUJ. During those talks 17 clauses and sub-clauses were agreed on. Eight were unanimously agreed among the parties to the talks. Only three were opposed by the NUJ: one seeking to exempt periodical (as opposed to newspaper) editors from union membership; one seeking to extend an editor's rights (for instance, to work during a journalists' strike) in republishing; and one seeking to recognize a journalist's right to join or refuse to join a union—a clause opposed also by the Writers' Guild of Great Britain, Mirror Group Newspapers Ltd. and Mr Peter Preston, editor of *The Guardian* newspaper.

The NUJ and the Institute of Journalists voted on the same side in respect of 14 sections of the charter talks report.

I am glad for Miss Beloff's sake that she is not a member of the NUJ: there is a clause in the union's code of conduct that obliges members to "write the truth, fair and accurately" and to "avoid falsification by distortion, selection or misrepresentation".

In his letter (July 25), Simon Jenkins, editor of the *Evening Standard*, sets out concisely the advantages of a closed shop in relation to selection of writers with reference to its merits in wages negotiations. Those who are following the debate should be very grateful to him.

Yours faithfully,  
**ERIC WINTER**,  
former member of the NUJ's National Executive Council, and former Trustee.  
36 Tunley Road, SW17.

From the General Secretary of the Communist Party of Great Britain Sir, "This year's Communist University of London, which ended last night, was by any standards remarkable." (*The Times*, July 18.) I agree.

The unique university, held in London in July for the past nine years and grown ten-fold in the process to over 1,500 students this year, is for the purpose of "discussing the theoretical and political alternatives that Marxism offers", to the next year's syllabus.

The "remarkable" success of the Communist University raises the central question which the entire correspondence on Marxism in *The Times* has failed to face up to. It is this.

Why is there today such widespread interest and support for the ideas and theories of Marx in Britain and every capitalist country, nearly 130 years after the Communist Manifesto was first published?

It exists because Britain and every other capitalist country is gripped at this time by profound economic, social, political and moral crisis, to which the alternative ideologies to Marxism provide neither a understanding nor a solution.

Maybe, as Thatcher, Lord Gladwyn, Brian Crozier and others can contemplate the grim consequences of this crisis and react by expressing the political platitudes

young people of today, (And indeed, others not so young!) They are searching for solutions to Britain's crisis uninhibited by prejudice and made angry by platitudes. This is why they turn increasingly to the works of Marx which enables them to analyse the character of the character of class rule in capitalist society.

Nor will they be diverted from study of Marxism by the virulent abuse of socialist countries and gross misrepresentation of the life of the people in these countries which characterised some of your recent correspondence.

The growing and attractive power of Marxism stems from the fact that it provides analytical weapons, ideas and theories for tackling and solving the great problems facing humanity which other philosophies have signally failed to do.

That attractive power will increase here and in other capitalist countries as capitalism's crisis deepens and it becomes ever clearer that the crisis can only be tackled and solved in the interests of the people by opening up the road to the illuminating by the writings of Marx.

Yours sincerely,  
GORDON McLENNAN,  
General Secretary,  
Communist Party of Great Britain,  
16 King Street, WC2,  
July 28.

**Yellow fever protection**

From Professor L. J. Bruce-Chwatt  
Sir, May I please, correct one point in your Medical Correspondent's otherwise excellent advice (July 5) to prospective travellers to the tropics? Yellow fever is *not* restricted to a few areas of Central America and Africa. On the contrary, the endemic yellow fever area covers virtually the whole of equatorial Africa, from west to east; it also extends over large portions of the northern part of South America and most of Central America.

Protection from yellow fever for travellers to these parts of the world is not only strongly recommended on medical grounds. Several countries of Africa require as a

of a valid international certificate of vaccination against yellow fever; many countries of Asia are particularly strict in this respect if the traveller arrives from Africa.

Primary vaccination of adults is generally well tolerated, while vaccination of infants is to be avoided, if possible. Reinoculation is indicated every 10 years. The yellow fever vaccination can be obtained in special centres, the list of which can be obtained from the Department of Health and Social Security.

Yours truly,  
L. J. BRUCE-CHWATT,  
Professor Emeritus of Tropical Hygiene,  
University of London.

From Mrs Mary Whitehouse

Sir, I have been reminded, many times, on reading your correspondence on the recent blasphemous case of the Sunday Times, of the play as children. Called "Pass it on" it began with one person whispering a message to the next, and so on, the last one shouting our loud what he had heard. That this bore no relation to the original, that it was often, as it passed round the circle, deliberately embellished and distorted was all part of the fun. Only it hasn't been so funny this time.

The sight of the homosexual/intellectual/humanist lobby at bay has been at times an intimidating spectacle, but may I, before some of the wilder flights of its imagination become the established mythology of the case, put the record straight as far as I am free to do so? May I also say, in passing, that I have been amazed at the degree of ignorance of your column in a matter which is still, with an appeal evidently pending, sub judice?

I am not, and never have been, involved in a campaign against homosexuals. I said in my recent book *Whatever Happened to Sex?* "When I say what is true—that I am not against homosexuals as people, but believe homosexual practices to be wrong, I am conscious of the inequity of that declaration. Homosexuals have as much right to be fully understood, to be treated with compassionate love as the rest of us. . . . Society to its shame once hurled that word at the homosexual. In our crazy, exclusionary society it shares its lot now attached only to those who dare say that homosexuality is less than 'gay'. Such an attitude is as dogmatic, doctrinal and restrictive in its own way as was the fearful slanders and smirgling scorn of earlier decades."

Neither do I "pore over" or for that matter ever buy, *Gay News*. I rarely see it and carry out no vendetta against it, though I have expressed concern about its content. It is to do so, the proselytising of the immature adolescent by the so-called "Gay liberation" movement.

Now I find myself falling into the same trap as so many of your correspondents. The blasphemous trial

faith not to be offended in the matter of their religious feelings. But this right has been almost completely submerged in an argument about the right of homosexuals not to be hurt in their feelings offended.

I accept no responsibility whatever for the distribution of this poem during and since the trial. If certain people decide to challenge the law that is their business, not mine. Neither do I regret the fact that millions now know something of the nature of the poem. If the publicity given to this case has profoundly shocked a public and a Church, not to mention a Government, which has been unwilling, by and large, to take the degree of corruption within our culture then that is a good thing, not a bad one. The shame of the publication of that poem lies on us all, not simply on those who maybe felt they had good reason for believing they could get away with it in these days of pseudo-freedom.

Finally, Mr R. M. Edwards's highly offensive letter (July 28) would be best ignored were it not for his reference to the Festival of Light. That organization, with which I am not now associated, had nothing whatever to do with the blasphemous case.

Yours sincerely,  
MARY WHITEHOUSE.  
National Viewers' and Listeners' Association,  
Ardleigh.

**Airborne forces**

From Mr Jim Spicer, MP for Dorset, West (Conservative) and Mr R. Crawshaw, MP for Totterthorpe (Labour)

Sir, The recent publicity that has attended the production of the film *A Bridge Too Far* has drawn our attention to the appalling reductions that Britain's Airborne Forces have suffered in recent years at the hands of consecutive governments.

In the past 20 years a regular parachute brigade (16 Parachute Brigade) and a TA airborne division (16 Airborne Division) have been reduced by stages so that we now have only one regular parachute battalion in its principal role by April 1, 1978 will have no TA soldiers with an airborne role. Luckily as yet, the Parachute Regiment itself escapes the cuts for its three regular and three TAVR Bn will all continue, albeit with a very limited allowance of parachute jumps, but, needless to say all six superbly recruited.

That is a tragedy, that the marvellous spirit that, they, have built up in such a remarkably short time since 1940 should be wasted. In particular, with our Nato allies all conscious of our lessening contribution to its defence, would it not be eminently sensible to harness this spirit?

We believe that a Nato force of parachutists of the G.E. Model Force type, probably largely drawn from reservists and all wearing the covered red beret, which friend and foe alike have copied from us, would make a splendid and worthwhile contribution to the alliance.

Before it is too late and our TAVR Parachute Brigade disappears, we ask our Defence Minister to think again.

Yours truly,  
JIM SPICER,  
DICK CRAWSHAW,  
House of Commons.

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**Note of alarm in B flat**

From Mr Ezra Rachlin

Sir, Referring to Lord Harewood's unfortunate accident (*The Times*, Saturday, June 23), I should be immensely grateful if any of your readers could assist me in locating a car alarm which sounds as beautiful as Jack Brymer's Clarinet.

Yours faithfully,  
EZRA RACHLIN.  
2 Queensmead,  
St John's Wood Park, NW8.



The year's results represent a substantial improvement over the performance in January 1960 despite the subsequent drop in inflation and interest rates at all time high.

The star performer was undoubtedly the group's UK rental division which operates under the well known Viscount name from some 200 branches throughout the country.

In percentage terms the performance of the overseas rental division was even more outstanding than that of the UK rental division just to greatly increased profits, representing a 20% increase - Colombia in Germany and Spain 15% and in Holland 10%.

The overseas television company, on the other hand, also made a small contribution to profits whereas last year this made a significant loss.

Cash flow was at a level which enabled the company to finance borrowing by no less than £1 million last year compared with the 1959-60 ratio from the last year of £1.2 million to £1.5 million.

Demand for television sets and rental remains strong and both in the UK and some overseas countries is reaching an exceptionally higher level than at this time last year.

Since the end of the 1950s, the company's television equipment has been sold in the UK. In other territories are under consideration as part of our trading strategy.

The major task for the present year is to eliminate the losses of certain companies in the Camptelco lease arrangement which this progress has already been made.

Profit for the first three months are running at a higher level than those of last year, and are also ahead of the target. With a small caveat, I am confident that you will find the group's progress in the current year fully acceptable.

Malcolm A. Fry, Director General





# Independent Newspapers Limited Dublin

## INTERIM RESULTS

	Half-year to June, 1977.	Half-year to June, 1976.	Year 1976.
Group Turnover	£9,400,000	£7,100,000	£16,457,000
Profit before taxation	£818,000	£572,713	£1,363,000
Profit after estimated taxation	£450,000	£285,713	£697,000
Dividend per Ordinary Share	2.4375p	1.1375p	4.07p

\* Group turnover increased by some £2,300,000 to £9,400,000 reflecting higher levels of both advertising and Circulation Revenue.

\* Overall outlook for the next six months encouraging.

R. T. Murphy,  
CHAIRMAN

**Lee Cooper**  
GROUP

## RESULTS FOR YEAR TO MARCH 31 1977

- ★ Turnover £28.7m + 44%
- ★ Pre-tax profit £2.5m + 145%
- ★ Dividend (equivalent to 45% gross) + 50%
- ★ 1 for 2 bonus

### THE CHAIRMAN, MR. HAROLD COOPER REPORTS:

All our activities both at home and abroad are operating profitably and continue to show good progress.

## FINANCIAL NEWS AND MARKET REPORTS

### Stock markets

## Strong again as the bears are squeezed

For the second day running equities made a firm, if technical, showing with the FT Index closing near the top at 440.2, a net gain of 5.7.

On the face of it the continued strength of sterling was the main factor behind the rise, but many dealers saw the session as a "bear squeeze". The only moment of uncertainty came after a generally gloomy survey from the CBI, but even this made only a slight impact.

In the day many stocks had been up to three quarters to the good, but best levels were not held in what was described as relatively light trading.

The stores sector threw up some exaggerated rises as buyers chased a limited amount of stock.

The biggest rises came from Gus "A", which ended 20p ahead at 236p, WH Smith "A" 20p to 565p, Mothercare 10p to 154p, Boots 7p to 183p and Debenhams which ended 4p ahead at 76p.

Others to jump ahead for similar reasons were Kwik Save 9p to 196p, BTR 11p to 122p and Baxi which returned to favour with a rise of 10p to 44p.

The slump on Wall Street hit the oil majors with BP old off 20p to 884p and Shell 5p lower to 547p. But North Sea stocks fared rather better with Thompson Organisation up 5p to 610p, after 613p, on the Piper Field production, increase and Stebens another 10p ahead at 292p on the confirmation of the Brae Field potential. North Sea prospects also helped ICI Gas, better by 21p to 415p, and Tricentrol 7p to 189p.

### Latest results

Having shed 6p to 220p on word of Davy International's 75 per cent leap in annual profits, the market is having second thoughts about the shares. They rose 7p to 230p yesterday. There are hopes that Davy, replete with foreign work, acquisitions and contract completions could, this year to next March, hoist profits from £18.8m to £28m and, some say, more.

Welcome though it is dealers do not see the freeing of the pound against the dollar and European currencies as anything but a short-term measure. Were it to last for any length of time, they argue, the impact on exporting companies would be too great for the Government to countenance.

Glits closed below their best with gains of up to three-eighths at the long end. Earlier

Company	Sales £m	Profits £m	Earnings per share	Div. pence	Pay date	Year's total
Int of Fin	15.03 (11.06)	1.38 (0.78)	10.66 (6.04)	2.32 (2.26)	1/10	— (5.8)
All Textile (I)	—	2.91 (5)	—	—	—	—
Barclays Bk (I)	—	131.5 (93.4)	29.0 (19.1)	5.3 (4.7)	3/10	— (9.8)
Cable Trust (I)	—	4.34 (4.5)	—	—	—	—
Cardinal Inv (I)	—	0.26 (0.3)	—	1.51 (1.16)	1/9	— (3.29)
Cly & Fyfe (I)	—	0.03 (0.001)	—	—	—	—
Com Bk Aust (F)*	—	7.6 (4.0)	—	8.0 (7.5)	28/10	16 (14.5)
Coral Leisure (I)	89.0 (77.0)	—	—	—	—	—
Denbyware (F)	10.0 (9.2)	0.23 (1.5)	—	3.3 (3.3)	19/9	5.4 (5.4)
Edin Am Ass (I)	—	0.27 (0.20)	—	—	—	—
Gen S Inv (F)	—	1.7 (1.3)	—	1.7 (1.3)	16/9	1.7 (1.3)
Grdn & Gtch (F)	26.2 (24.9)	0.67 (0.87)	9.18 (8.08)	1.1 (1.0)	3/10	2.3 (2.1)
Inchcape (F)	1.23 (1.03)	75.3 (37.0)	42.5 (22.5)	5.45 (2.4)	19/10	10.0 (5.0)
J. I. Jacobs (I)	0.66 (1.0)	2.4 (0.7)	—	0.55 (0.45)	—	—
J. Jarvis (F)	13.9 (15.2)	0.61 (0.50)	27.9 (26.6)	4.5 (4.2)	—	8.5 (7.7)
Leda Inv (I)	—	0.09 (0.07)	1.29 (1.04)	0.99 (0.91)	31/8	— (2.4)
Meldrum Inv (I)	—	0.35 (0.32)	—	0.62 (0.52)	—	—
Peterb. Mtrs (F)	12.3 (10.0)	0.37 (0.49)	0.09 (0.07)	1.29 (1.21)	—	2.16 (2.01)
Plastic Cons (I)	3.7 (3.08)	0.21 (0.16)	—	1.38 (1.25)	16/9	— (3.71)
Prestige Grp (I)	26.8 (21.9)	2.5 (2)	—	1.75 (1.75)	30/8	— (10)
Pride & Clark (I)	23.1 (16.2)	0.23 (0.2)	—	4/3	20/9	— (3.65)
St Andrew Tst (I)	—	0.41 (0.36)	2.09 (1.35)	1.50 (1.25)	1/10	— (4.86)
Warnford Inv (F)	—	—	—	0.07 (—)	4/10	4.86 (4.3)

## No stopping Allied Textile as half-time profits jump by 76pc

By Victor Felstead

In the half-year to March 31, taxable profits of Huddersfield-based Allied Textile Companies were a record for a six-month period, rising by more than double the increase in sales.

On the back of turnover 33.8 per cent up at £15.03m, pre-tax profits jumped by 76.7 per cent to £1.38m. The interim payment is going up by the maximum allowed, from 3.47p gross to 3.82p.

Mr J. E. Lumb, chairman, comments that the half-year's progress is "well up to expectations". Besides being better than for the half-year last time, it was also an improvement on the record earnings for the last half of 1975-76.

Trading in the present period remains "satisfactory in most parts" of the group and the board expects the full year's profits to be "substantially



Mr J. E. Lumb, chairman of Allied Textile Companies.

higher" than the previous 12 months. Meanwhile earnings a share

in the half-year were up from 6.04p to 10.66p.

Although Allied's turnover dropped from £24.91m to £23.68m, pre-tax profits jumped by almost 46 per cent to a record £2.16m in the preceding 12 months to September 30, 1976. The board explained that this "marked improvement" in the quality of the group's business was chiefly due to the elimination of "significant areas of marginal trading".

In parallel with the cutting-out of the least rewarding parts of production, Allied had continued its extensive programme of reequipment and modernization. Considerable progress had been made in bringing modernized capital-intensive plants to high levels of efficiency, and sustained efforts to increase penetration of overseas markets were being made.

## Troubled waters ahead for John I Jacobs

With turnover down considerably in the first half of the year and the directors taking a pessimistic view of the second six months, the outlook is distinctly gloomy for ship owners, tankship brokers and managers John I. Jacobs.

And unless there is a distinct upswing in the shipping markets the second half of the year will not "contribute materially" to profits, they warn.

In the six months to June 30, group turnover at £663,000, was down 35 per cent on last year's £1,030m.

Pre-tax profits improved from £746,000 to £2.45m but this figure includes a £1.8m surplus

on the sale of MV Hollywood. Stripping out this sum leaves profits down slightly at £645,000.

For shareholders there is an interim dividend of 0.55p, compared with a previous 0.45p, and the directors anticipate paying the maximum permitted at the year end. This would give a total payout of 3.5p gross.

Shares in the London-based company were 1p firmer at 29p yesterday.

**GORDON & GOTCH**

Growth in volume plus greater contribution from associated companies was not enough to offset rising costs. As expected group did not match record of £905,000. (For results see table.)

## Last Crown Agents bank holding is sold

By John Brennan

The Crown Agents have disposed of their chief remaining banking interest with the sale of the Bermuda-based C. A. Bank & Trust.

The Agents' director of financial services, Mr Allan Frood, returned last night from Bermuda - with - conditions terms of the bank's sale to two British merchant banks, Charterhouse, Japhet and Sterling Guarantee Trust. Details of the deal will not be made public until the formal transfer of banking licences has been made to the new owners. But it is unlikely that proceeds from the sale of the bank, which capitalised at \$US1m and which has a current balance sheet worth of \$14.2m (\$8.2m) will have any significant impact on the Agents' overall £212m deficit on its residual bank and property interests.

Mr Frood explained yesterday that the bank sale completes the most complicated element of unwinding the Agents' remaining "own account" bank holdings. The Agents now hold only a half share in the Cayman Island banking house Caribbean Banking Group, and United States group Continental Illinois and a small holding in one Australian bank. Mr Frood confirms that the Agents hope to have disposed of all remaining holdings by the end of the year.

The Bermuda sale marks an interesting point in the Agents' programme of disengagement from the fringe banking and property sectors, a disengagement ordered by the Government as a condition of its £650 rescue grant and guarantee of continuing support. Made in 1974, C. A. Bank & Trust was originally an arm of the E. D. Sassoon Bank, and the Agents' initial 40 per cent shareholding in that bank in 1967 was one of its first major ventures into the "own account" activities which have nearly destroyed it three years ago.

**SINGLO/PURBECK**

Acceptances received for 166,000 Purbeck shares. Number of shares held by Singlo before offer period amounted to 12,000. Shares bought by Singlo during offer period by conversion amounted to 362,000. Offer extended until July 26.

## Ferranti. The figures are good news but only half the story.

### Summary of Results

	1976/77	1975/76
Profit and Loss Account	£	£
Turnover	125,359,000	108,476,000
Profit before taxation	6,136,000	4,101,000
Taxation	3,200,000	1,648,000
Preference Dividends	101,000	101,000
Ordinary Dividend	416,000	—
Profit for the Year transferred to Retained Earnings	2,334,000	2,534,000
Consolidated Balance Sheet		
EMPLOYMENT OF CAPITAL		
Fixed Assets	17,542,000	15,441,000
Unquoted Investments	448,000	62,000
Net Current Assets	33,845,000	31,180,000
	51,835,000	46,683,000
CAPITAL EMPLOYED		
Capital	7,833,000	7,833,000
Reserves & Retained Earnings	31,457,000	28,629,000
	39,290,000	36,462,000
Minority Interests	151,000	—
Loans	8,201,000	8,193,000
Deferred Taxation	4,193,000	2,028,000
	51,835,000	46,683,000

Last year we returned to profit. Now we can report further improvement and all sections of the Company have contributed.

We expect this progress to continue. Aside from the figures, we have tackled some tough practical problems and found positive solutions.

Jobs and skills have been preserved, for example, by turning part of our transformer factory over to a new industry, making container handling machinery.

For the next five years we have set ourselves constructive yet realistic goals: a consistently high level of largely self-financed new investment, the creation of a substantial number of new jobs, and the achievement of a sufficient return on capital to generate the necessary funds for our plans.

Our aim is the financial strength that will allow us to provide for our own growth, from our own resources.

Investment, expansion, enterprise - the other side of the Ferranti story.

**FERRANTI**  
Selling technology

Ferranti Limited, Hollinwood, Lancashire OL9 7JS

## MK ELECTRIC HOLDINGS

### Substantially higher profits

"... profit prospects rest on a broader base than in years past. This and new overseas markets gives us great confidence in the future".

David L. M. Robertson — Chairman

- Record turnover, profits and return on capital employed.
- Export sales at £5.8 million 82% up on prior year.
- Bank balance increased to £1.8 million after completion of capital expenditure of over £2 million.

- Capital expenditure of over £4 million planned for 1977/78.
- Overseas manufacturing in Singapore commenced. Other activities to serve International Markets planned in 1977/78.

Results at a glance	1977 (53 weeks)	1976 (52 weeks)	1975 (52 weeks)
Turnover	£31,288	£23,314	£21,588
Profit before tax	6,010	2,171	675
Profit after tax	2,860	1,049	319
Dividends	624	567	241
Earnings per share	23.78p	8.72p	2.65p
Dividends per share	5.19p	4.72p	2.00p



**MK ELECTRIC HOLDINGS LIMITED**  
Shrubbery Road, Edmonton, London N9 9PB. Tel: 01-807 5151  
Copies of the Report and Accounts for the period ended 2nd April 1977 are available from the Company Secretary

## FINANCIAL NEWS

Sheepbridge Eng to  
raise £4.4m by  
one-for-four rights

By John W. ...  
The latest company to join the list of firms raising money through the issue of one-for-four rights is Lord Aberdeen, chairman of Sheepbridge Engineering. The company, which has a turnover of £1.4m, is raising £4.4m by the issue of 1.1m new shares at 40p each. The issue is expected to start in August.



Lord Aberdeen, chairman of Sheepbridge Engineering.

The directors say they are raising the money to finance the expansion of the company's engineering services. The company has a turnover of £1.4m and is expected to start in August.

N American  
losses push  
Denbyware  
into the red

By Our Financial Staff  
Shares in high-grade stone-ware group Denbyware, which is based at Derby, slumped by 12p to 66p yesterday following the news of a big setback in the results for the 53 weeks to April 2.

Coral takes off and  
better things to come

By Alison Mitchell  
Coral Leisure, the bingo, bookmaking and casinos group, passed the post at the half-way stage with a remarkable increase in profits.

Valor takes a solid step  
forward toward recovery

By Michael Clark  
Valor, maker of heating and cooking appliances, appears to be well on the way to recovery. This coupled with the recent important export orders which have been received enables Mr Michael Montague, chairman, to reinforce the confidence already expressed on prospects in the current year.

## GALLAHER

## INTERIM REPORT

for the six months ended 30th June, 1977

The unaudited results of the Group for the six months ended 30th June, 1977, compared with the corresponding figures for 1976 and the audited results for the whole of 1976 are as follows:-

GALLAHER LIMITED AND SUBSIDIARY COMPANIES	(All figures in £ millions)				
	3 months to 30 June	6 months to 30 June	3 months to 30 June	6 months to 30 June	Year to 31 December
<b>GROUP SALES (Note 1)</b>					
Tobacco - Domestic	224.3	447.5	183.0	364.8	768.0
Overseas	42.8	83.8	31.7	59.2	143.3
Engineering	13.9	26.8	10.7	20.4	47.2
Optical	8.2	15.5	6.7	13.3	27.0
Distribution	42.5	86.9	33.6	68.7	143.8
	331.7	660.5	265.7	526.4	1,131.1
<b>GROUP TRADING PROFIT, before interest</b>					
Tobacco - Domestic	6.5	14.3	8.0	16.1	20.5
Overseas	1.8	3.4	1.4	2.8	6.4
Engineering	1.1	2.4	0.8	1.1	3.6
Optical	1.9	3.2	0.9	2.1	4.7
Distribution	1.2	2.5	0.4	1.0	2.6
	12.5	25.8	11.5	23.1	46.8
<b>INTEREST CHARGES</b>					
	1.6	3.1	1.4	2.8	5.7
<b>GROUP PROFIT, before taxation</b>					
	10.9	22.7	10.1	20.3	41.1
<b>TAXATION (Note 2)</b>					
	5.3	11.2	5.0	10.3	20.8
<b>MINORITY INTERESTS</b>					
<b>GROUP PROFIT, before extraordinary items</b>					
	5.6	11.5	5.1	10.1	20.3
<b>EXTRAORDINARY ITEMS, net of taxation (Less)</b>					
	0.1	0.2	0.1	0.1	0.2
<b>GROUP NET PROFIT</b>					
	5.5	11.3	5.0	10.0	19.3
<b>Depreciation charged in arriving at trading profit</b>					
	2.7	5.4	2.6	5.2	11.0

## NOTES

- Group Sales  
Sales exclude V.A.T. or its equivalent.  
The comparison for sales of domestic tobacco products has been affected by duty increases since March 1976.
- Taxation  
U.K. Corporation Tax has been based on a rate of 52%.

New capital injection  
for Italian Int Bank

Christopher Wilkins Bank, London-based bank, has received a new capital injection of £10m from its shareholders. The bank has a turnover of £10m and is expected to start in August.

Alpine to  
halt work at  
loss-maker

By Ashley Drucker  
In his last address to shareholders, Mr James Gulliver, chairman of Alpine Holdings, announced that the company was to halt work at its loss-making Alpine Windows operation.

Vavasseur-Mills & Allen  
seek merger advice

H. Vavasseur Group and Mills & Allen, two of the largest advertising agencies in the country, have asked their respective financial advisers to establish whether a merger can be effected between the two companies.

## Briefly

Singlo raising  
Purbeck bid  
to 100p in cash

Heroic determination is shown by Singlo Holdings in its latest bid to raise the price of its shares to 100p in cash.

GALLAHER OPENING  
Gallagher's sales rose from £25.4m to £26.5m in the half-year to June 30. Group pre-tax profits were up from £2.0m to £2.7m.

WIGGIN STEAPLE  
Wiggin Steaple has bought control of the leading Belgian paper wholesaler, Hazeldock, for almost £3m.

CHRYSLER UNITED KINGDOM  
Second quarter operating loss £4.4m, non-operating loss £0.8m. Chrysler UK is in a "state of emergency" and is expected to be sold.

Charter Consolidated Limited  
RECOMMENDED OFFER FOR  
M.K. REFRIGERATION LIMITED

Shareholders of M.K. Refrigeration Limited (M.K.) who are not so far accepted the offer are reminded that acceptance should be received by 3.30 p.m. on Friday 5 August 77, in accordance with the terms set out in the letter of 15 July 1977.

For and on behalf of  
CHARTER CONSOLIDATED LIMITED  
D. R. Pollard  
Assistant Secretary

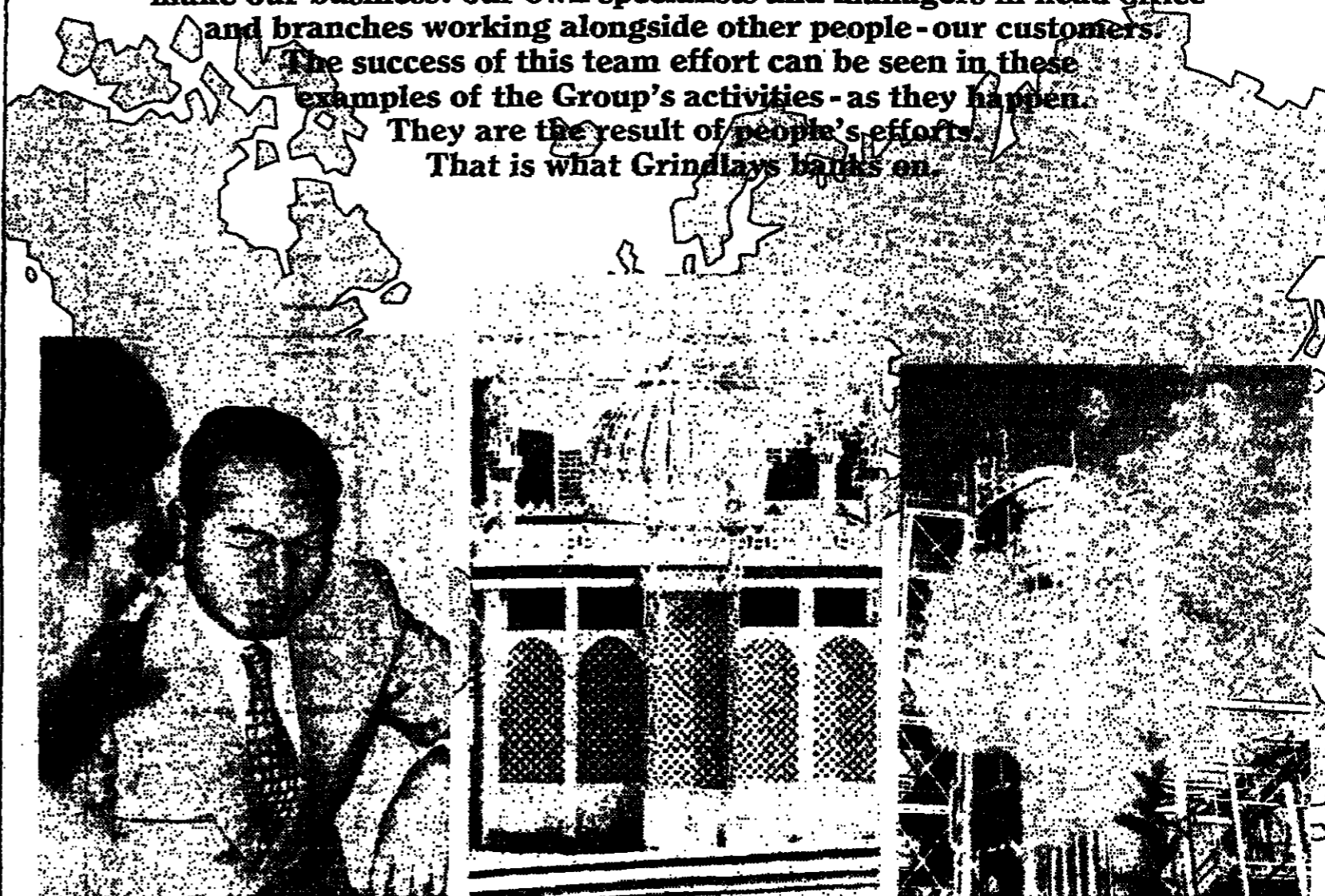
29 July 1977

What does  
Grindlays bank on?

The Grindlays Bank Group has come a long way from its beginnings in the 19th Century. In 1977 we are a major international bank - a world leader in certain areas - but we work hard to preserve the traditions that put us where we are today.

Although the Group is now represented and active all around the world, we have not forgotten that it is people who make our business: our own specialists and managers in head office and branches working alongside other people - our customers.

The success of this team effort can be seen in these examples of the Group's activities - as they happen. They are the result of people's efforts. That is what Grindlays bank on.



THE GROUP IS DIRECTLY REPRESENTED IN OVER 30 COUNTRIES, ACROSS 5 CONTINENTS WITH MORE THAN 200 BRANCHES AND OFFICES, AND CONDUCTS BUSINESS WITH A FURTHER 68 COUNTRIES.

Here our Manager in Tokyo discusses the finance for a shipment of steel to Bangladesh with a leading Japanese manufacturer.

THE GROUP IS ONE OF THE WORLD'S LEADING BANKS IN THE MANAGEMENT OF MEDIUM TERM SYNDICATED EURO CREDITS. Recent syndicated eurodollar loans managed by Grindlays Bank include those to the Municipality of Sharjah and to CEPE - the state petroleum company of Ecuador.

THE GROUP'S EXPORT FINANCE DEPARTMENT SIGNED THE FIRST UNSYNDICATED DOLLAR BUYER CREDIT UNDER ECGD REGULATIONS. Our specialists visited Korea and arranged a financial package which included both export and eurodollar commercial credits for the Korea - Iran Petroleum Company and a major U.K. supplier on a petro-chemical refinery project.

**Grindlays Bank Group**

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# Stock Exchange Prices

## Good gains in stores

ACCOUNT DAYS: Dealings Began, July 25—Dealings End, Aug 5. Contango Day, Aug 8. Settlement Day, Aug 16  
 \$ Forward bargains are permitted on two previous days

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THE TIMES BUSINESS NEWS

BRITISH FUNDS			COMMONWEALTH AND FOREIGN			LOCAL AUTHORITIES			FOREIGN STOCKS			DOLLAR STOCKS			BANKS AND DISCOUNTS			BREWERS AND DISTILLERS		
Stock	Price	Change	Stock	Price	Change	Stock	Price	Change	Stock	Price	Change	Stock	Price	Change	Stock	Price	Change	Stock	Price	Change
British Fund	100.00	0.00	Commonwealth	100.00	0.00	Local Auth	100.00	0.00	Foreign Stock	100.00	0.00	Dollar Stock	100.00	0.00	Bank and Disc	100.00	0.00	Brewer and Dist	100.00	0.00

**THE TIMES SHARE INDICES**

The Times Share Index for 25.7.77 was 1000.00 (1964=100). The index rose 1.25 points to 1001.25.

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July 30 1977

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# THE TIMES

Saturday Review:  
Success and  
E. M. Forster, page 5

## Postmen vote to go back as court rules or Grunwick

Postmen at Cricklewood, north London, have been suspended for refusing to handle mail from the Grunwick company, decided today to return to work tomorrow night and some handling the company's mail. Their action coincided with a Court of Appeal judgment in favour of Grunwick over actions by the Advisory, Conciliation and Arbitration Service.

## Cricklewood sorters bow to pressure

Christopher Thomas, a majority of three votes, ruled that the Cricklewood sorting office, west London, yesterday returned to work from now night and to handle mail from the Grunwick film factory. The men, who voted 51 to 48, under great pressure from leaders of the Union of Office Workers during the return to normal work. Despite the closeness of the vote, the union leaders said there would be no response. Colin Maloney, chairman of the union's Cricklewood branch, said: "We came out to work and we are going to stay. The vote was a narrow one. The men will see to that." The decision will come as a relief to many companies in the NW2 postal district, in which had been with service. Many of them have been suffering severe hardship, with the threat of bankruptcy in some cases from the Cricklewood branch union leaders more than four hours, according to some sources, the threatened to stop its weekly dispute benefit to Mr. Norman Sage, general secretary, who said: "I do not comment on these decisions, but I do say, however, that the constitutional position of the union has been put in jeopardy by the decision of the Court of Appeal." The union's decision to return to work unless they received a public assurance from the Post Office that they would not be expected to handle Grunwick mail.

## Attempt to organize mass picket fails

Mr. Parker, a union and Labour Party official, said that the decision of the Court of Appeal yesterday in favour of Grunwick was a "disappointment" for the union. He said that the Advisory, Conciliation and Arbitration Service (Acas) had made a "mistake" in not calling off the planned mass picket to limit the number of pickets to a total of 800, a maximum of 200 at each of the factory's four gates, until the report of the Scarman court of inquiry into the dispute is published. It was agreed by both sides to reserve their position on what action might be taken after the publication of the report. The strike committee was told that the full support of the trade union movement would be sought if the company did not accept any recommendations.

## Ministry urged change clear plans

The government has been advised by the National Nuclear Corporation to change its plans to develop a British steam generating heavy water reactor instead of adopting an American design of light water reactor. The corporation has reported on three systems to the Department of Energy. The Nuclear Installations Authority says that there is no technical reason to doubt the safety of the heavy water reactor system.

## Jet parts for tank

Parts for the British Army's new light tank were obtained in a "one-off buy" from a supplier in the Soviet Union, the Government said. The Ministry of Defence put Britain's operational jet at risk.

## Newspaper threat

A group of newspapers close entirely next week after unions were instructed not to go on strike. The threat is over a demand by the National Union of Journalists for a shop at Darlington.

## European decision on thalidomide article

By Ian Bradley  
The European Commission of Human Rights has decided that the British Government was wrong to restrain *The Sunday Times* from publishing an article about the drug thalidomide. In a report published yesterday the Commission concluded, by eight votes to five, that restrictions imposed on the newspaper by the Attorney General were in breach of Article 10 of the European Convention on Human Rights. The Commission will now take the case to the European Court of Human Rights.

## Schoolgirl shot dead in Soweto protest

From Ray Kennedy, Johannesburg, July 29  
An African schoolgirl was shot dead by police in Soweto today in the most serious incident since thousands of young blacks began boycotting their schools last week. Regina Nkomo, aged 19, was shot as police broke up a demonstration outside Orlando North junior secondary school, where 200 students paraded with placards demanding the scrapping of the Bantu education system. The police used dogs to scatter the pupils and when the blacks retaliated with a barrage of stones, they opened fire. Other pupils stampeded through the school, jumping through windows to escape. Some, according to a teacher, were cornered in a toilet, and six were taken to hospital with wounds from broken glass while others were treated for dog bites.

## RAF jet crashes

The two-man crew of an RAF Jaguar jet aircraft from Lossiemouth died yesterday when the aircraft crashed in open country near Whitby, Northumberland.

## Ladywood poll on Aug 18

A writ is being issued for a by-election at Ladywood, Birmingham, on August 18, to fill the vacancy in the Commons caused by the resignation of Mr. Brian Walden, who is to be president of the London Weekend Television programme in succession to Mr. Peter Jay, who is now British Ambassador in Washington. The August date for a by-election is a surprise, but Labour, Conservative and Liberal candidates are already in the field and last night it was announced that Mr. Raghib Ahsan, an Asian shop steward employed in the Royal Ordnance plant at Salford, will stand as a Socialist Unity candidate.

## Rhodesia defector

Rhodesia's election campaign has begun with a clear rejection by the newly-formed right-wing Rhodesian Action Party of the principle of black majority rule. The new party may have gained another defector from the ruling Rhodesian Front: a former minister has left Mr. Smith's party and may join the RAP.

## Extradition order

Richard Charles Farling, aged 42, of Wimbledon, London, former chairman of Haw Par Brothers International, was ordered in the High Court to be extradited to Singapore to face trial on six charges relating to the affairs of the company and Melbourne Unit Trust.

## England recover

An unbeaten partnership for the sixth wicket between Boycott and Knott helped England to a total of 242 for five, one run behind Australia, in the third Test match. They came together at 82 for five. John Woodcock, page 20.

## Hopes high in Cairo

Cairo has high hopes of the forthcoming visit of Mr. Vance, the American Secretary of State, and the Egyptian press is heaping praise on the Carter Administration.

## Uproar as MPs 'lose' last day of session and force Prime Minister to attend Mr Callaghan confident of Downing Street security

By Hugh Noyes, Parliamentary Correspondent, Westminster  
After great confusion on the last day before the summer recess, angry Tory MPs yesterday forced Mr Callaghan to come before the Commons to reassure the House about the state of the nation's security forces after disturbing reports about the use of listening devices at 10 Downing Street while Sir Harold Wilson was Prime Minister. The Tory leader and her Chief Whip, Mr. Humphrey Atkins, were first to appear. A minute later Mr. Callaghan entered and, as Mrs. Thatcher demanded a "statement," strode towards the dispatch box. "Many matters," he said, "are being written and spoken about at present, but there is very little hard fact as far as I can see. If anyone who has any information about what has taken place cares to place it before the appropriate authority, which in this case would be the Home Secretary, then, of course the matters would be looked into." After a slight pause, Mr. Callaghan continued: "In the present situation I am quite satisfied with the arrangements at No. 10 and with what is going on in the security services." Mrs. Thatcher said she was pleased that the Prime Minister had expressed his full confidence in the security services. She pointed out, after exchange, over the practice of not normally discussing these matters in public, that it was much more important that a former Prime Minister should not discuss these things. Although Sir Harold Wilson was in his office at the House of Commons for much of the morning, it was learnt later that there had been no attempt by the Prime Minister to set in touch with him. In the Chamber Mrs. Thatcher spoke angrily of Mr. Callaghan's refusal to question Sir Harold about whether he gave an interview to two journalists about the security services. If that had happened, she asked, would the Prime Minister refer the matter to the Attorney General? But at that point, as other MPs joined in urging Mr. Callaghan to reply again, the Prime Minister stalked swiftly from the Chamber, muttering "Not a hope" as he disappeared behind the chair. The concern over the state of the security services arises from articles in *The Observer* and an early morning debate yesterday during the Consolidated Fund Bill, initiated by Mr. Peter Blaker, Conservative MP for Blackpool, South, and a former diplomat. Mr. Blaker told the House that it seemed clear that Sir Harold breached the Official Secrets Act and his oath as a privy councillor by attaching the security service in interviews with journalists. Referring to the allegations that 10 Downing Street was "bugged" while Sir Harold was Prime Minister, Mr. Blaker said that they were astonishing, grave and alarming charges. He regretted that Sir Harold was not in the Chamber. Since the articles in *The Observer*, he had not denied that he had been accurately quoted, and so it must be assumed he did not deny the remarks attributed to him. How was it, Mr. Blaker asked, that a former Prime Minister, responsible for the security services, could make an attack through the press on the competence and impartiality of the security services? Dr. Summerskill, Under-Secretary of State, Home Office, winding up the debate, said it should not be assumed that the Government accepted that the journalists' allegations were well founded. They all related to periods of many years, and in one case of 25 years, ago. She assured the House that on the basis of present evidence, Ministers were confident that the security services were carrying out its proper duties. Parliamentary report, page 18.

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## Bar Council to let QCs appear alone in court

By a Staff Reporter  
Queens' Counsel in England and Wales will from October be able to appear alone in court if they wish. Mr. Fraser, Minister of State for Prices and Consumer Protection, announced yesterday the abolition of the two-counsel rule, under which a QC may not appear in court without a junior barrister.

## Commission's report may lead to beer price curb

By Patricia Tisdall  
Immediate consultations which could lead to a curb on further beer price increases are to be started between the Government and the brewing industry as a result of a report issued yesterday by the Price Commission. Although it finds that beer price increases have not been out of line with general price rises, the Commission uncovered what it describes as several "fundamental" questions about the organization of the trade. The report questions whether the high concentration of beer sales and the system under which brewers own the retail outlets, is in the public interest. This is a question which must be answered by the Government, the Commission adds. The report also asks for a "more searching" scrutiny of the investment plans proposed by the big brewers. The industry plans to spend nearly £1,000m at 1976 prices during the next three years, primarily to meet the increased demand for beer, particularly lager. However, the Commission says it does "not accept as axiomatic" that the cost of expansion (as opposed to that of replacing worn-out assets) should necessarily be financed by higher prices to the consumer. It calls for a "more searching scrutiny" of the proposed programme before it is undertaken. In a statement in response to the report, Mr. Hartley, Secretary of State for Prices and Consumer Protection, said last night that the Government was "urgently" considering what action to take in response to the findings. He said that "consultations with the interests concerned are beginning immediately in order to identify the best means of correcting the problems to which the report refers, adding that "in the meantime beer prices, like other prices pre-notified to the reconstructed Price Commission, will be subject to powers under the Price Commission Act, 1977". Under the Price Code which expires tomorrow, brewers have been allowed to offset part of their investment costs against the price increases for which they have applied. The new price control structure gives the reconstructed Commission much more flexibility in deciding how far to make allowances for such costs. Mr. Hartley has no direct powers to order an immediate

## Big earthquake reported in South Pacific

Golden, Colorado, July 29.—A big earthquake was reported today in the Solomon Islands region of the South Pacific by the United States Geological Survey. The survey's earthquake information service here said that it registered about 7.3 on the open-ended Richter scale, and was centred about 100 miles south-west of Bougainville in the Solomons. It was located about 360 miles north-west of Guadalcanal where, on April 20 and 21, two big earthquakes killed 12 people, injured several others, and caused extensive damage at Honiara.—Reuter.



Keating charge: Tom Keating, the artist who claims to have painted 2,000 works in the style of others in the last 25 years, was arrested and charged in London yesterday with conspiracy and criminal deception. Mr. Keating, aged 60, of Lower Park, Dedham, Essex, faces four charges, and another man, Lionel Evans, who runs Fountain House Antiques, at East Bergholt, Suffolk, faces five. Both were granted bail to appear at Marlborough Street magistrates' Court, London, on August 26. Mr. Keating in the sum of £5,000 and Mr. Evans in £1,000. There were one charge of conspiracy, three of criminal deception and five of inducing people to sign cheques by deception.

## Multiple sclerosis

As yet, we have no way of preventing it

Multiple Sclerosis remains a mystery because so far no one has managed to discover what causes it. And until that is known, there can be no way of preventing it or developing an effective form of treatment.

MS is a disease where the protective sheath around each of the millions of nerve fibres running from the brain, is destroyed. As a result they can't carry their messages clearly and various parts of the body cease to function properly.

This means that many of the 50,000 in the UK who have Multiple Sclerosis must face the prospect of growing disability and dependence on their families for practically everything.

Tragically it tends to attack younger people—many with young children of their own—just at the time when they're reaching their prime and financial burdens are at their greatest.

That's why we're again appealing to you for money. So we can step up the research which one day—hopefully soon—will find a way of preventing MS; and in the meantime also help us to support our 20 branches in looking after those who already have it.

Both of them—like most things—cost more and more every day. That's why we would ask you to be as generous as you can.

There are many ways of giving—a money gift NOW; a legacy; or a deed of covenant which increases what you give by over 50%. We'll gladly supply further details.

Please send your donation or enquiry to:

The Multiple Sclerosis Society,  
Freepost 406, 4 Tachbrook Street,  
London SW1V 1SJ

Giro number 5149355

Help unlock the mystery of Multiple Sclerosis

The Multiple Sclerosis Society of Great Britain & N. Ireland. Registered as a charity in accordance with the National Assistance Act 1948.

## TV licence fees rise overnight

By Robin Young, Consumer Affairs  
Television fees went up at midnight. The increases, announced in the House of Commons yesterday by Mr. Rees, the Home Secretary, are £3, from £18 to £21 for colour sets and £1, from £8 to £9 for black and white. They are for a minimum period of only one year.

The reason for the overnight increase was the difficulty experienced at the time of the last increase in 1975, when the rise was announced in advance. Mr. Jenkins's attempts at that time to stop people from saving money by buying new licences before their old ones expired were overruled in the courts.

The BBC said: "The decision to introduce a licence lasting for only one year not only makes sensible economic planning extremely difficult, but also dangerously threatens the independence and whole constitutional position of the BBC."

The BBC fears it will now have to go "cap in hand" to the Government each year for the continuation of its licence revenues.

## Extradition order

Richard Charles Farling, aged 42, of Wimbledon, London, former chairman of Haw Par Brothers International, was ordered in the High Court to be extradited to Singapore to face trial on six charges relating to the affairs of the company and Melbourne Unit Trust.

## Mobile homes: New laws to protect occupiers

Mobile homes: New laws to protect the occupiers of caravans and other mobile homes are to be prepared by the Government.

## Paris: French Socialists and Communists agreed to keep an independent nuclear deterrent

Ethiopia: Conflicting reports of casualties and losses in the desert war with insurgents from Somalia.

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devil! Why didn't you write at once? I was in an awful snarl all Saturday and Sunday. You may say that this was not sensible of me, but when all that one is and can feel is concerned, how can one be sensible?" By now he was really in a low mood and began to fancy he was seriously ill. A friend had suggested he might be tubercular, so he made arrangements to see a specialist. Masood came to stay the night and was still concerned about his health, but began to be "affected and scratchy" and no more comfort than his lecher.

Amidst all these chagrin, the news came that his grandmother Louisa, who was staying at an aunt's in Plymouth, had fallen dangerously ill. Lily hurried down there with Aunt Rosie, intending to bring her mother back to the bridge, but on the two last days of the Forster to say there was no hope. When Forster himself reached Plymouth, his grandmother was in a coma. She lingered for two or three days; and, during that time, as he sat by her, he was out at evening on to the Hoe the ghostly moonlit scene, and the faint cries of distant gulls, seemed to him an emblem of her state, "so unapt to die and least apt to live." During the night of 15 January her death-agony began. He heard his mother in the next room, sobbing tragically. "Mother, mother," and, "I could have raised her happy." During a few moments in the dark he became hysterical too. Death came to his grandmother in the early morning, and they buried her the same day—Aunt Eliza, too. Forster's "vociferous and skipping" on the occasion. It was, Forster thought, the end to a happy and dignified career. "She knew how to live, and to the end took it that of those who did not." The day after the funeral he went for a glorious walk on Dartmoor, feeling glad to be alive.

On his return to London, however, the specialist told him his "opinion that he was dangerously low and that he was beating up for an illness. He thought he might have to go into a sanatorium, and when he told his mother she was the wiser to add to her worries. His Whitchurch cousin Ray and Gerry had got themselves into serious trouble over money. "Swaggering fools," he burst out in his diary. "Have told them so. No room for pity in the least." He had been a month of disaster, and for the first time he looked at the future pessimistically. Here they were, without occupation for the coming year; he at the head of his class, but, so he feared, without future prospects; and his mother sunk in morbid regrets.

Still at least he had his love for Masood, and for all its frustrations, this gave his life a meaning. "Masood," he says me up even when I don't think of it," he reflected. In fact, for him, the shocks of the last few weeks cancelled one another, and he soon recovered balance. "It is a degrading business," he wrote, "but, thinking of Masood, when we admit people can't help their behaviour." He was ready to accept it in Masood's case: Masood was, and perhaps never should be, sensitive but not responsive. One of his loves for Masood was over, but there might be other phases. And, in fact, in April he had an evening with Masood so happy it seemed to him the first of his own development. Masood had dawdled up a "frost" still lingering in him.

Meanwhile, he commanded himself to plan his work, to put in a solid hour's reading every dinner, to study the East and the comedy. And much he had completed the story "The Point of It" (though he thought it inferior), and he had various ideas for essays: the use of history, poetry and scientific methods in "fiction and literature"; perhaps a whole series. A new novel, too, was germinating in his mind. Indefatigably moralistic, he missed the most of his life, for he was he had health, money, and friends. "Most of my troubles come from within or because the ill luck of others worries me. Good luck has made me good hitherto, but the future is doubtful. My faults are idleness, and inability to admit that I am wrong, unless I love the accuser very much. I might be envious, but the inevitable decline of my literary reputation will test that."

The real sufferer from the past January was his mother. She had proved all too correct: she plunged into a pit of misery, recrimination and bad temper. Like him, she kept a diary, and she filled hers with interminable complaints: how her existence was useless; how she could have done so much more to make her mother happy. Forster had a bad time with her all the remainder of the year: that after month he recorded, "Mother so sad and teasing"; "Mother prostrated with lumbago and morbidity." For the rest of her life, January was always a bad month with her, reviving the bitterness of the present year. In Forster's view, the death of his grandmother had robbed his life and fundamentally altered her character; and their life together was never the same after it.







## Travel

## Spain beyond the beaches

re at it again in Pamplona this month. Running bulls along the heavily guarded route between the Plaza de Toros. One was killed and many injured during the celebration of the Festival de San Fermín. It is all the unchanging aspect that lies behind the beaches, has outlived dictatorship and is still to be seen whatever the new and improved Spain of the seventies.

Pamplona has found in my thoughts those July days when I was being held in the memory of the festival. The festival of the running of the bulls is not so much a cabaret, old chum, as a fair game. Though the official spokesman for the Association of British Travel Agents doubted on television that the price of holidays would fall as a result of the peseta devaluation, some tour companies have been swift to prove him wrong. American Express Travel has reduced the cost of holidays to the Canary Islands, for example, with a week there now costing £89 instead of £114. Other operators talk in terms of an eight or ten per cent refund, maybe more. So what has the new, cut-price, Spain got to offer those who have not yet made their holiday decisions and wish to explore beyond the beaches?

My strongest memories of northern Spain are of an arrival in Bilbao and a hectic drive across country to reach the west coast of Galicia—a part that is hardly known to foreign visitors but which the Spanish people use as their own holiday area in summer. It has been described as being like Scotland with a sub-tropical climate, and the *rias* or fjords which finger in from the sea among pine clad hills bring a touch of Scandinavia to the region. Geographically and culturally, Galicia is an extension of north Portugal, and a motoring holiday to that region is included in the Travel Workshop programme, as is one to the east which includes the aforementioned

reduced from the early part of September. Noja, which I saw quite some time ago, is nothing more than a tiny village on the coast west of Bilbao which has a superb beach and very little else. Castro Urdiales (€96 for two weeks on bed and breakfast terms) and San Sebastián (€99 for two weeks) are the company's other two centres on that northern coast.

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## Food

## A professional shrine

Measure the pineapple juice and, if necessary, make up to 1 pint with water. Stir in the sugar. Measure the arrowroot into a saucepan and dilute it with a little of the juice. Then add the remaining juice and stir over moderate heat until the glaze has just come to the boil and cleared. Draw off the heat and while still hot, spoon evenly over the entire surface of the flan to cover the pineapple and the prunes around the rim. Leave until cold. Serve with cream.

An arrowroot glaze can be used over a fruit filling served in a pastry case. A crisp pastry flan with a shallow layer of sweetened cream cheese, fresh strawberries on top and a shiny glaze will taste and look as though it has come from the smartest patisserie. But more often than not, a jam glaze is the one used over a fresh fruit tart and for this strawberry, raspberry or apricot jam is usually used.

This must surely be one of the most famous of all fruit flans, with rings of apple slices under a shiny apricot glaze. In the recipe, I have described how to achieve the pretty caramelized edges to the apple slices—it is a trick of the trade, as it were.

**Serves 6**

4 oz sweet shortcrust pastry (or use your own favourite flan pastry);  
icing sugar—see recipe.

**For the filling**  
2 lb apples (choose a sharp flavoured variety);  
4 oz castor sugar;  
1 oz butter;

**For the glaze**  
2 oz castor sugar;  
2 tablespoons water;  
2 good tablespoons apricot jam.

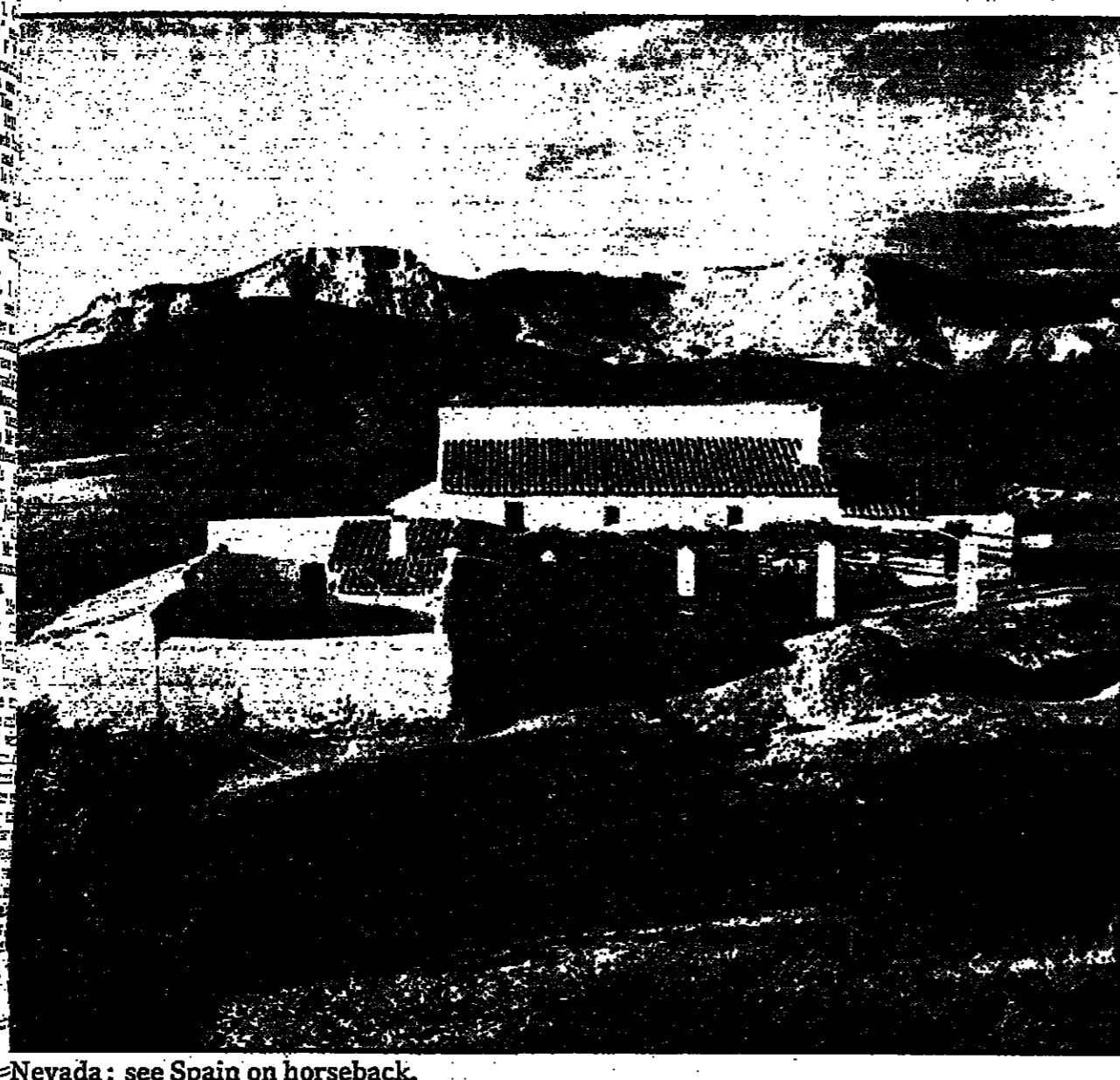
Roll out the pastry to a circle and use to line an 8 in quiche tin. Flan tin set on a baking tray or one of those fluted white china flan dishes. Set aside while preparing the filling.

Reserve about 2-3 of the nicest apples for the slices to cover the flan. Peel, core and cut up the remaining apples and place in a saucepan with the butter, sugar and one or two thin pieces of pared lemon rind. Cover with a lid and cook gently until the apples are quite soft and have formed a fairly thick, dry puree. Draw off the heat, remove the pieces of lemon and allow to cool. Spread the cooled puree over the base of the pastry flan.

Peel, core and neatly slice the reserved apples and arrange the slices overlapping in circles to cover the surface of the tart. Set just above centre in a hot oven (400 deg F or gas 6) and bake for 25 minutes. When baked the pastry will be nicely browned and the apple slices tender but still pale in colour. To get the apple slices edged with brown, dredge the surface of the flan lightly with icing sugar pushed through a sieve. Now pass the flan under a hot grill to caramelize the sugar—the edges of the apple slices brown first because they are nearest the heat and will give a pretty striped appearance—draw the flan away from the heat the minute the slices are brown enough.

Measure the sugar and water for the glaze into a saucepan and stir over low heat to dissolve the sugar. Add the apricot jam (sieved if there are any lumps of fruit) and stir until blended. Bring to the boil and simmer for a few minutes to make a glaze that will set (until drops of glaze fall slowly from the spoon) then spoon the hot glaze over the apple slices and leave until quite cold before serving.

Katie Stewart



Nevada: see Spain on horseback.

## Gardening

## py rambles

often asserted that slams receive rich are disproportionate skill displayed in them. The modern of showing controls value of certain such precision that under should know how much, to so, when their vulnerability partners from a information can be used for losing the game. A defender who promptly exposes his opponents' approach if they are using a system.

East game; dealer East.  
♠ A Q 7  
♥ 10  
♦ K Q J 10 6 5 4 2  
♣ A 5 3 2  
West game; dealer West.  
♠ A 2  
♥ K Q J 10 6 5 4 2  
♦ A 5 3 2  
♣ K Q J 10 6 5 4 2

## Bridge

## Putting yourself in a fix

Many players in East's position would have failed to double Four No Trumps in order to convey to West that they could take a trick. If he had passed and later raised his partner in Hearts, West would have been justified in making out the Double of Six Diamonds into Six Hearts from fear that the heart support rendered his hand trickless. By his doubles East took control of the defence and exposed the weakness of North's precipitant jump over Two Spades into Four No Trumps, although it is difficult to think of a satisfactory bid with his unbalanced hand. Is the response which comes nearest to announcing the precise value of a hand the best bid? The answer must regretfully be an emphatic "No", even if a conventional enquiry such as North made seems to fix the case.

This apparent contradiction must be accepted whenever a player cannot foresee the final contract; if he knows that he

may be forced to defend a slam the most fatal bid that he can make is a preemption without top honours, such as many writers have recommended. Those who aspire to the championship class ought to know that they should never invite partner to lead a suit in which they have not a defensive trick.

North South game; dealer South.  
♠ K 10 9  
♥ A Q 2  
♦ Q 9 8 7 5  
♣ 5  
West game; dealer West.  
♠ A Q J 7  
♥ K 10 9  
♦ K 10 4  
♣ A K 4

does not lead a spade. The success of the contract is going to depend on how the hand is played, and whether the declarer places the ♠A with West or with East. The intrusive bid of Four Hearts suggests that East holds the ♠A, but his position will be resolved by the fall of the cards.

I used the jargon "fixed" advisedly, because East cannot risk a Double of Six Clubs in order to invite a lead other than a heart. West is then far more likely to open a diamond, which he will expect his partner to ruff, than a spade, and you begin to think that East might have been wiser to make a defensive bid of Two Spades over North's Two Diamonds. The play resolves itself automatically when West leads his singleton ♠5, although it needs the Swiss champion Jean Besse to handle the dummy with absolute confidence. He won the lead with dummy's ♠A, drew three rounds of trumps, and cashed his four diamonds on which he discarded the ♠6. A club to dummy's ♠5, left a position

where declarer could play either opponent for the ♠A.  
♠ K 10  
♥ A Q 2  
♦ Q 9 8 7 5  
♣ 5  
West game; dealer West.  
♠ A Q J 7  
♥ K 10 9  
♦ K 10 4  
♣ A K 4

South has counted East's discards and knows that he holds two spades and two hearts; so he plays the best trump and forces East to discard the ♠Q. South discards his ♠10 and it is no problem to play dummy's ♠10 and to collect the last two tricks.

There might have been a problem if East had not bid Four Hearts, because South could have entered his hand, before cashing the last trump, with the ♠K in order to play West for the ♠A.

Edward Mayer

## Radio

## Black, white and blue

time since I heard a c in which balance quite so headlong out now as in Alex P. and Blue. As the one could possibly

Police officer who told us of a time when in plain clothes he had been stopped and questioned, for no good reason and without much courtesy, by other members of the force.

The only possible conclusion to be drawn from this programme was that, whatever the whole picture, black and blue relations are in a pretty sorry state. Almost without exception, those who spoke felt that the police were, to put it mildly, not disposed in their favour; there emanated from them a fierce resentment and the fact that when they told us more or less untouched by the other side of the story allowed I think, a true assessment of its strength and bitterness. If that is how a section of the population feel then, no matter what the other considerations, there is a problem.

Had we been given those other considerations then and there, it might have been possible to come away with the feeling that the matter was as broad as long, that there was no great problem really, or that those black were being just a bit unreasonable and had no

good cause to feel the way they did. These are the reactions that the "balanced" programme can so easily evoke, reactions which quite often, and particularly here, seem to me to demonstrate the most dismal failure of imagination on our part. Even the whitest white amongst us, having committed say, some minor traffic offence and been caught in the act, knows only too well what it is like to be on the receiving end of the law. I suppose you realize this is a one-way street.

"Does that ring a bell?" The thinly-veiled sarcasm, the slow, calculated opening of the note-book, the sting in the "sir". No one, white, black or khaki, loves a policeman then. It shouldn't be difficult for anyone to grasp, at least to some extent, how black people cause we all start from the same square one; we're all a little paranoid.

This perhaps suggests some of those other considerations which Black and Blue might have put and didn't, but which another programme (Blue and Black?) should drag out for in-



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# THE TIMES BUSINESS NEWS

Personal investment and finance, pages 16 and 17

## High taxation threatens demise of private investor, Wilson Committee told

Andrew Goodrick-Clarke, chairman of the Wilson Committee, has told the House of Commons that the high taxation of private investors is a major threat to the survival of the private sector in the economy. He said that the committee's report, which is being published tomorrow, would recommend a number of measures to reduce the tax burden on private investors, including a reduction in the rate of capital gains tax and a reduction in the rate of corporation tax. He also said that the committee was concerned about the impact of high taxation on the small and medium-sized businesses which are the backbone of the private sector. The committee's report is expected to be a landmark document in the history of British taxation, as it will set out a comprehensive programme of reforms designed to make the tax system more equitable and more efficient. The committee's chairman, Mr. Goodrick-Clarke, is a prominent businessman and a member of the House of Commons. He has been leading the committee since it was set up in 1975 to examine the taxation of private investors. The committee's report is expected to be a landmark document in the history of British taxation, as it will set out a comprehensive programme of reforms designed to make the tax system more equitable and more efficient.

## Treasury will offer £800m gilts issue on Thursday

The Government's wish to keep its funding programme moving ahead smoothly has led it to rest, at least temporarily, on the issue of Treasury 91 per cent, 1981. At the offer price of 97 1/2 per cent, the gross redemption yield works out at 10 1/2 per cent and the running yield at 9 1/4 per cent. The return to conventional funding almost certainly reflects the fact that the authorities have been able to sell gilts at a price which is well above the level of the market. The Treasury's decision to issue £800m of gilts on Thursday is part of a larger programme of borrowing which is designed to finance the Government's budget deficit. The Treasury has been successful in selling its gilts at a price which is well above the level of the market, which is a reflection of the confidence of investors in the Government's financial position. The Treasury's decision to issue £800m of gilts on Thursday is part of a larger programme of borrowing which is designed to finance the Government's budget deficit.

## Ford chairman blames disputes in conceding market lead to Leyland

Mr. Terry Beckett, chairman of Ford, has blamed disputes in the Leyland car company for the company's loss of market leadership in the UK. He said that the company had been in a "state of confusion" for some time, and that this had led to a loss of focus and a decline in sales. He also said that the company had been unable to keep up with the competition, and that this was due to a combination of factors, including poor management and a lack of investment in research and development. Mr. Beckett's comments came in the wake of a report that Leyland had lost its market leadership to Ford. The report had been based on a comparison of sales figures for the two companies, and it had shown that Ford had been selling more cars than Leyland for some time. Mr. Beckett's comments are a clear admission of the company's problems, and they are likely to have a significant impact on the company's future. The company has now announced that it is to be taken over by Ford, and this is likely to lead to a complete restructuring of the company.



Mr. Beckett: "We are determined to lick this problem."

## £1.5m strike confines mushy peas to the pod

A "mushy" pea strike at the North of England factories of Barchels Foods—claimed to be Britain's largest canner of processed peas—has in three weeks cost the company £1.5m worth of peas at the height of the harvest. The strike is the result of a dispute between the company and its workers over pay and conditions. The workers are demanding a 10 per cent increase in pay, and the company is refusing to meet this demand. The strike has led to a shortage of peas, and this has caused a significant increase in the price of mushy peas. The company has now announced that it is to pay the workers a 10 per cent increase in pay, and this is likely to lead to an end to the strike. The company has also announced that it is to invest £1.5m in new machinery, and this is likely to lead to an increase in production.

## SE call to show effects of inflation

NIR will publish a report on the effects of inflation on the economy. The report is expected to be a landmark document in the history of British inflation, as it will set out a comprehensive programme of reforms designed to make the economy more resilient to inflation. The report is expected to be a landmark document in the history of British inflation, as it will set out a comprehensive programme of reforms designed to make the economy more resilient to inflation. The report is expected to be a landmark document in the history of British inflation, as it will set out a comprehensive programme of reforms designed to make the economy more resilient to inflation.

## US indicators again back forecasts of slower growth

Washington, July 29.—America's index of leading economic indicators fell a seasonally adjusted 0.6 per cent in June after a 0.2 per cent decline in May, the Commerce Department said. This was the first decline in consecutive months since August and September, 1976, and the June fall was the largest non-weather related decline since the 3 per cent drop in January, 1975. Economists said the decline in the index, designed to forecast future economic trends, tends to confirm administration forecasts that the economy will slow down in the second half of the year after the rapid first-half advance. Mr. Michael Blumenthal, Secretary of the Treasury, commenting at a press conference on the decline in the index of leading economic indicators, said the decline was a cause for concern only if it "translated itself into a substantial slowdown in the months ahead. He said he still expected a 5 per cent growth in real GNP in the second half.

## Upper bracket gets 60pc of tax cut

More than 60 per cent of the tax concessions in the Budget will go into the pockets of those earning more than £4,000 a year. Although the number of taxpayers whose gross salary has risen since 1976 is only 10 per cent, it is far fewer than those earning below £4,000. The Finance Act, which received the Royal Assent yesterday, granted £1,390m of tax relief to those with incomes above £4,000, and £870m to those below. The bias in favour of the above average earner was even stronger in Mr. Healey's original budget proposals. These would have given £280m to the lower income bracket, and £1,454 to the £4,000 a year plus bracket.

## Hambros sell's Canada stake for £11.8m

Hambros, the merchant bank group, has agreed to sell its stake in Hambros Canada for £11.8m. The deal involves the sale of 3.3 million shares in Hambros Canada, a quoted Canadian investment holding company, for £5.62 a share to North Canadian Oils, an oil and gas company which is to make an offer for all the remaining shares within a year.

## In brief

**Hambros said the disposal would have no significant effect on its earnings. Of the total price £11.8m will be payable in cash on completion, and the remainder in the form of an interest-free loan, credit maturing in a year's time.**  
**Ekofisk agreement**  
The long dispute between Norway and Denmark over burying in the sea bed the section of the sub-sea Ekofisk gas pipeline that runs through Danish waters has been ended. Yesterday, the Norwegians agreed that about 3.8km of the most exposed sections of the pipeline should be covered immediately. Remains will be covered by July 1, 1980.  
**Drax B compensation**  
Government views on compensation payable to the Central Electricity Generating Board for the early ordering of the Drax B power station were delivered last night by Mr. Glyn Evans, chairman of the CEBG, had asked for more information about the Government request that the

## Japan's TV makers attacks rivals

Japanese television manufacturers yesterday hit back at the British manufacturers' attacks, accusing them of indulging in a mudslinging campaign aimed at blocking the entry of Japanese goods. Mr. Derek Jeffs, general manager of Toshiba in the United Kingdom, said the Japanese were not going to shoulder the blame for the British lack of marketing expertise. "If you can't recognize what market trends are going to be in a couple of three years time you really ought not to be in the business," Mr. Jeffs said. He was speaking on behalf of the Japanese Consumer Electronics Association, which represents the interests in the United Kingdom of the major Japanese "brown goods" manufacturers. Flanked by senior executives of Matsushita and Hitachi, Mr. Jeffs said: "An awful lot of mud has been slung and nothing has been picked up and slung back."

## Dollar rebounds but pound's index rises

The dollar had its best day for over a week on the foreign exchange markets yesterday. Dealers had been waiting for a hint of the future course of the dollar from Dr. Arthur Burns, Federal Reserve Board chairman, in his testimony yesterday to the House Banking Committee. He, and Mr. Michael Blumenthal, United States Treasury Secretary, indicated that a strong dollar was essential to America's economic future. In the wake of these comments, and the tighter curbs on United States money supply growth, the dollar rebounded in Europe. It closed at 2.291 Deutsche marks, a gain of 1.7 pfennigs on the day. This is still well below the DM2.35 level prevailing a month ago. The pound fell back slightly against the stronger dollar to close at \$1.7375, after nervous trading. But its effective rate strengthened however to 61.7, the best level since the beginning of June. It is still not clear how far the British authorities are prepared to see the pound rise.

## Norwest plea to halt DoT inquiry rejected

An action by a major construction company, Norwest Holst Limited, to stop a Department of Trade inquiry into its affairs was struck out in the High Court yesterday. Mr. Justice Foster said that in the absence of any allegation of bad faith, the whole purpose of the Department's investigation powers under the 1948 Act empowering him to do so where he thought there were circumstances suggesting fraud or misconduct towards the company or its members. Norwest co-joined that his failure to state the alleged offence or offences or the persons alleged to be responsible was adversely affecting its business. Mr. Justice Foster said he believed it was the first time the appointment of inspectors under the 1948 Act had been challenged in the courts. The inquiry, he said, was not against the company but for its benefit and that of its shareholders. It was against persons who might be acting wrongly towards the company. It was idle to say that the company knew of nothing which would justify the decision to hold an inquiry. Mr. Stanley Brodie, QC, its counsel, had conceded that the onus was on him to show that no circumstances existed such as to justify the decision. "How such an onus can be discharged, I cannot imagine," the judge said. "The company has, if my mathematics are right, some 30 subsidiaries, some of which are in the United Kingdom. He said there was no evidence to show that the solvency of the company was in question. No shareholder had complained, there had been no adverse press comment about the company, and no misconduct towards the company had been qualified. Nevertheless the Trade Secretary had ordered the inquiry. Costs were awarded to the Department of Trade. The judge refused the company leave to appeal.

## Final changes made to new price controls

By Our Commercial Editor  
Among a number of regulations setting the seal on the Government's new price control powers, which operate from Monday, was an order yesterday which makes a number of adjustments to the one-year price code being brought in to run parallel with the major investigatory powers of the new Price Commission. None of the changes is major, but companies are now to be allowed to carry over any entitlement to investment relief not used under the existing code. Companies can also exclude from profit margin calculations any grants received under either section 7 or 8 of the Industry Act. Pay sanctions will operate through margin controls and not the Commission's investigatory powers. The pay sanctions are intended to bolster the 12-month rule on pay claims. There are no further concessions on profit safeguards, which the Confederation of British Industry particularly believe to be inadequate. Retailers and distributors had already been told they had won some benefit from adjustments. It was confirmed.

## Quebec nationalism drives money from industries

Private non-residential investment in the province of Quebec has slowed markedly. At the same time vast sums of money are being transferred out of the province by businesses and individuals. Business confidence here has been completely wrecked by the Quebec Government's economic policy, which is based on a policy of nationalism. The government is seeking to drive money out of the province by imposing high taxes on businesses and individuals. This has led to a decline in investment and a loss of confidence in the province's economic future. The government's policy is based on a belief that the province should be self-sufficient, and that it should not rely on the rest of Canada. This is a policy that is likely to have a significant impact on the province's economy in the long run.

## Brewers defend their investment policy

Continued from page 1  
price freeze on beer. A freeze could be brought in by the Price Commission if it decided to investigate a pre-notified price increase from any of the brewers. But the major brewers, all of which have recently put through price rises, say they are not expected to apply for new rises for some months. A more immediate option would be for Mr. Hattersley to refer to the Commission a special sectoral investigation such as on pricing policies. A third choice might be for consultations to result in a voluntary undertaking by brewers to hold prices for a limited period. Beer prices have been going up at the rate of one every three months. One of the points commented on in the report was a discrepancy between the prices and profits of the large national brewers against those of the smaller and regional companies. The bigger companies were found to make smaller profits than their smaller competitors even though their prices were higher. "This coincidence of higher prices and lower profit margins," says the Commission "gives rise to fundamental questions about the trade and its organization." Another query raised in the report was the relatively high profit margins it found in brewing activities as compared with those in the public houses. Return of capital in brewing is described as a "generous" 32 per cent while the return on the tied estate is "as low as some 3 per cent." In a statement issued to a press conference yesterday, the Brewers' Society claimed the commission had made no recommendation because "there is simply no case to answer."

## How the markets moved

Rises		Falls	
Allied BP	1p to 72p	Arenson	4p to 25p
Burmah	6p to 89p	Barclays	8p to 27p
Coltman	6p to 63p	Fisons	2p to 21p
Denbys	31p to 45p	Geyer	2p to 30p
Demid	1p to 80p	GKN	1p to 31p
EMI	5p to 55p	Hoover	1p to 30p
	2p to 21p	Inchcape	7p to 41p
GHP Group		Equities recovered from early weakness.	
Grand Met	2p to 73p	Gilg-edged securities made good progress.	
Mills & Allen	4p to 64p	Dollar premium: 114.875 pence (effective rate 43.47 per cent).	
Oil Explo	19p to 27p	Sterling declined by five points to 1.7375. The effective exchange	
Plassey	1p to 5p		
Sanger, J. E.	4p to 48p		
Whitbread 'A'	2p to 82p		
Int Paint		Rate index was at 61.7.	
ICI	3p to 35p	Gold fell by 25 cents to \$144.375 an oz.	
Midland Bk	1p to 28p	SDR-6 was 1.7144 on Friday, at 1.5167 (previous, 1.5442).	
Newmark, L.	5p to 120p	Commodities: Renter's index was at 1,516.7 (previous, 1,544.2).	
Sel Trust	5p to 44p	Reports, pages 17 and 18	
Sun Alliance	4p to 45p		
W Areas	5p to 135p		

## THE POUND

	Bank	Bank
	buys	sells
Australia \$	1.69	1.70
Austria Sch	23.75	23.75
Belgium Fr	64.00	61.00
Canada \$	1.89	1.84
Denmark Kr	10.74	10.34
Finland Mk	7.18	6.93
France Fr	6.79	6.38
Germany Dm	4.15	3.93
Greece Dr	64.00	61.00
Hongkong \$	8.25	7.90
Italy Lira	153.50	150.00
Japan Yn	433.00	460.00
Netherlands Gld	4.42	4.20
Norway Kr	3.46	9.10
Portugal Esc	65.50	65.00
Spain Ptas	148.75	143.75
Sweden Kr	7.85	7.50
Switzerland Fr	4.36	4.14
US \$	1.78	1.73
Yugoslavia Dn	30.50	30.50

On other pages Bank Base Rates Table 18



## FINANCIAL NEWS AND MARKET REPORTS

## Gilts recoup earlier falls

attracted little attention and holds were mostly unwanted with losses amounting to around 50p in places.

Imperial Continental Gas rose to 422p and probably deserved it. At the annual meeting the chairman broke a customary silence about prospects to say that if autumn and winter are not abnormally bleak, the figures a year from now should "be readily acceptable". Apart from its stakes in Petrofina and the Dutch-owned JC Gas is away into the North Sea's Hareizi gas field, and the Maureen, Andrew and Thelma fields.

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Equity turnover on July 28 amounted to £66.19m (11,144 arguments). Active stocks yesterday were: Anglo, B&A, and ICI were ICI, Barclays, Inchcape, Burmah, Shell, Bowater, Midland Bank, Royal Insurance, BP, New Oil Exploration, Reed International, Ladbrokes New, Anglo, B&A, and ICI preferred, GHP Group, Vavasour.

By Alison Mitchell

The raising of £340,000 in cash by Lowe & Brydone, enabled the Norfolk-based printer and housing developer to clear its way through dividend restrictions.

Mr Malcolm Sanderson, chairman, expects a virtual trebling of the payout to 11.66p gross in the year to March 31 next. Treasury permission has already been given for this.

The money will be raised by placing 200,000 ordinary 50p shares at 70p per share and the issue of new redeemable preference shares.

Industrial & Commercial Finance Corporation will take 150,000 of the preference shares at par and, as part of the deal, its existing option to buy 110,000 ordinary shares at par will be extended to total 180,000.

The balance of the money will come through the capitalization of £50,000 of a short-term loan by the James E. Brydone Provident Fund, which will take 50,000 preference shares at par. It will also be given the option to buy over 23,000 ordinary shares at par.

The cash, which will maintain the favourable gearing ratios of the group, will be used to expand the house-building side of the business.

From March 1 to March 31, the bulk of the group's £93,500 pre-tax profits came from this division and the chairman tells shareholders in the annual report and accounts that the housing subsidiaries are to be re-named "Ferndale Homes".

The group as a whole is to change its name to Finliss Holdings.

All companies in the group have had a successful first quarter, according to Mr Sanderson, and forward working programmes are at record levels.

By Michael Clark:

Increased sales combined with reasonably stable conditions enabled Wana, the South Wales baker and confectioner, to gain a 70 per cent increase in profits. Despite this, the shares slipped 1p to 27p.

Pre-tax profits in the year to April 2 leaped from £1m to a record £17.1m on turnover up from £18m to £28.9m. This was due to a sharp increase in sales, which grew up from 3.5 per cent to 7.1 per cent. Earnings a share jump from 2.25p to 4.01p and the directors recommend a final dividend of 0.79p making a total for the year of 1.47p gross compared with 1.13p.

At half-year pre-tax profits shot to 199 cent to £574,000 and the group was well on the way to record results in the full year.

Reasonably stable trading conditions and a continuing emphasis on new product development enabled the group to obtain full benefit from the high level of capital expenditure undertaken over the past three years.

Towards the end of the year there were signs of a significant increase in the price of some of the group's main raw materials. But this now seems to be leveling off, and there is no reason why the group should not be able to pass on its profits in the current year. Meanwhile satisfactory progress is being made in developing export sales and its overseas subsidiary has made a small contribution to profits in the brief period of its operation.

There is no reference to takeover talks which have been rumoured.

National Westminster Bank is to acquire a 74 per cent controlling interest in Global Bank, a West German banking group. GB has gross assets of DM\$58m. The bank is presently owned by Gerling, Konez and a German insurance concern which came into the international eye three years ago through the involvement of its controlling shareholder, Herr Ernst Hoffmann in the collapsed Herstatt Bank. Herr Gerling owned 84 per cent of Herstatt and agreed to pay DM200m into a compensation fund to aid creditors.

Those involved are not being revealed, but will involve both a purchase of shares by NaWest from Gerling and an injection of new capital.

**J. & J. Dyson recovery**

**Tops former peak**

Despite the current recession in the steel industry J. & J. Dyson, the Sheffield manufacturer of refractory materials, has posted a pre-tax profit from its 1982-83 period of £12 million on March 31. Turnover surged £6.4m to £50m.

Footwearing a downturn in the early 1970s the group has gradually been inching its way back up to earlier levels, and this year's results comfortably beat the 1971 peak of £18.9m.

There will be a total dividend of 2.54p gross.

**Ergo oversubscribed**

**more than 9 times**

More than 1000m has been subscribed for the £11m worth of shares on offer to the public in Ergo, Anglo-American's offshoot to treat old slimes dams in the East Rand for gold and uranium.

There was a last minute stampede for the shares, issued at £3.50, as the offer closed in Johannesburg yesterday. Market sources expect they will be life at about £5 and that successful applicants will be aiming to make a quick profit.

A total of 16m shares are being issued but only 3.7m are available to the public. Ergo is not seeking anything other than a Johannesburg for the moment.

Company	Sales £m	Profits £m	Earnings per share	Div pence	Pay date	Year's total
Anderson Hedges (F)	6.77(0.92)	0.15(0.14)	1.28(1.219)	1.6(1.4)	3/10	2.4(2.18)
Avonco (F)	23.81(1.28)	1.7(1.01)	2.12(1.05)	0.0(0.0)	—	0.0(0.75)
D. H. Brown (F)	0.7(0.14)	0.21(0.17)	2.28(2.25)	2.21(1.1)	—	1.2(1.11)
Bent & May	—	0.24(0.20)	5.73(4.45)	1.9(1.7)	—	3.7(2.4)
Brit Sealco (F)	14.9(11.4)	1.4(0.96)	1.71(1.43)	0.86(0.74)	17/9	1.9(1.07)
Brit Sealco (F)	10.9(8.2)	1.0(0.61)	1.90(1.4)	0.8(0.7)	—	1.7(1.0)
Corn Esch (I)	—	2.1(1.1)	—	0.68(0.89)	29/7	—
J. J. Dyson (F)	29.9(23.4)	3.7(3.2)	8.58(5.69)	1.67(1.57)	1/10	3.2(2.9)
For & Col	—	1.3(0.7)	—	1.10(0.85)	—	1.1(0.8)
Formisim (F)	10.2(7.7)	1.0(0.75)	2.01(1.63)	1.83(1.59)*	10/10	3.7(3.5)*
Glenlivet (I)	9.0(7.6)	1.5(1.2)	—	2.05(1.51)	1/12	—
Greta & Gotch (F)	26.2(24.9)	0.80(0.50)**	9.18(8.6)	3.19(1.08)	—	3.2(2.1)
Kids (I)	—	0.2(0.0)	—	—	—	—
Hardy (F)	41.9(45.8)	0.07(0.05)	1.91(1.8)	1.0(1.5)	—	2.3(2.8)
Ingersoll Knit (F)	—	3.7(1.8)	—	1.0(1.0)	—	1.0(1.0)
Lace Bech (I)	—	0.4(0.35)	—	1.5(1.0)	3/10	1.4(1.0)
Lida Sueren (F)	14.8(11.3)	1.0(0.94)	3.29(3.01)	2.2(1.9)	—	2.0(1.7)
Milma Supplies	12.3(11.8)	1.7(1.4)	7.0(5.7)	1.1(1.0)	—	1.1(1.0)
R.F.D. Group (F)	15.9(14.7)	3.2(2.1)	—	0.98(0.93)	19/9	1.4(1.2)
Wm. Smeaton (F)	4.4(4.0)	0.2(0.06)	1.15(0.43)*	2.0(0.5)	—	2.0(0.5)
Tanjong Tin (I)	—	0.12(0.10)	—	2(2)	19/9	—
Textile Jersey (F)	7.5(6.2)	0.12(0.09)	—	—	—	—
Vantage Sea (I)	—	0.001(0.001)	0.297(0.168)	0.15(0.13)	4/10	0.4(0.40)
Ward (F)	3.7(4.4)	—	2.7(0.2)	2.7(0.2)	—	2.7(0.2)

RFD Group, manufacturer of inflatable products, military software and specialist textiles, followed a buoyant first half with a slightly flatter second six months.

However, on turnover up from £14.7m to £16m, the group lost at a greater profit of £3.32m for the year to March 31, an increase of 52 per cent on the previous 12 months. This boosts margins from 14 to 20 per cent.

The biggest improvement in the group came from the specialist textiles division which made a strong recovery, in-

creasing profits more than three fold to £790,000. The other two main sectors also traded well, with GQ Parachutes and RFD Mills Equipment turning in particularly good results.

RFD Systems Engineering, as forecast, had a difficult year in the second half of the year. The business was handicapped by the unpredictable timing of Government ordering.

Trading so far in the current year is "reasonably satisfactory" says the chairman.

At the halfway there was some hint that the group may be looking for acquisitions and

**By Ashley Druker**

The early results following the decision to drop Green-Stamps have been over-whelming. Mr. James Porter, chairman of the Store Stores (Holdings) told the annual meeting. Reaffirming that it was the board's most "important recent decision," he says a major change in its pattern of retailing has been effected. This recognized the principle that only those retailers in the mass food market offering the keenest prices could prosper.

Shareholders were told that turnover of all parts of the country had increased by a figure "far in excess" of its budgeted expectations.

This also applied to those areas where competition has been greatest. The result has been that the group has secured a "significantly" larger share of the grocery trade.

Recent figures show that in the first five months of this year the June 30, its market share rose from 7.9 to 10.8 per cent, an increase of 37 per cent.

[illegible]

# GHP group talks to Low & Bonar

New York, July 29.—Stock prices were mostly lower at the New York Stock Exchange today, but considerably improved from their lows of the day.

The Dow Jones industrial average was down 0.08 point to 490.07. It was off about 81 points after the first half hour of trading.

Declining issues numbered 1,000, with 775 numbered gainers by about 775 to about 615. Volume totaled 20,350,000 shares compared with 26,000,000 shares yesterday.

Brokers attributed the partial stock market recovery today to declining issues hanging in severely depressed issues.

Although the industrial average rose 1.55 points yesterday, it still is 10.50 points below the peak of the three previous sessions.

[illegible]

1963	102	102	102
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2061	102	102	102
2062	102	102	102
2063	102	102	102
2064	102	102	102
2065	102	102	102
2066	102	102	102
2067	102	102	1

[illegible][illegible]



Mr. [REDACTED]

## Stock Exchange Prices

### Holding firm

ACCOUNT DAYS: Dealings Began, July 25. Dealings End, Aug. 5. 5 Contango Day, Aug. 8. Settlement Day, Aug. 16.  
 § Forward bargains are permitted on two previous days.

FUND INVESTMENT									
Fund Name	Price	Change	Yield	Assets	Liabilities	Net Assets	Net Liabilities	Net Income	Dividend
First Fund	10.00	0.10	4.5%	100	10	90	10	1.00	0.50
Second Fund	12.50	0.25	5.2%	120	12	108	12	1.20	0.60
Third Fund	15.00	0.30	6.0%	150	15	135	15	1.50	0.75
Fourth Fund	17.50	0.40	6.8%	175	17.5	157.5	17.5	1.75	0.875
Fifth Fund	20.00	0.50	7.5%	200	20	180	20	2.00	1.00
Sixth Fund	22.50	0.60	8.2%	225	22.5	202.5	22.5	2.25	1.125
Seventh Fund	25.00	0.70	9.0%	250	25	225	25	2.50	1.25
Eighth Fund	27.50	0.80	9.8%	275	27.5	247.5	27.5	2.75	1.375
Ninth Fund	30.00	0.90	10.5%	300	30	270	30	3.00	1.50
Tenth Fund	32.50	1.00	11.2%	325	32.5	292.5	32.5	3.25	1.625
Eleventh Fund	35.00	1.10	12.0%	350	35	315	35	3.50	1.75
Twelfth Fund	37.50	1.20	12.8%	375	37.5	337.5	37.5	3.75	1.875
Thirteenth Fund	40.00	1.30	13.5%	400	40	360	40	4.00	2.00
Fourteenth Fund	42.50	1.40	14.2%	425	42.5	382.5	42.5	4.25	2.125
Fifteenth Fund	45.00	1.50	15.0%	450	45	405	45	4.50	2.25
Sixteenth Fund	47.50	1.60	15.8%	475	47.5	427.5	47.5	4.75	2.375
Seventeenth Fund	50.00	1.70	16.5%	500	50	450	50	5.00	2.50
Eighteenth Fund	52.50	1.80	17.2%	525	52.5	472.5	52.5	5.25	2.625
Nineteenth Fund	55.00	1.90	18.0%	550	55	495	55	5.50	2.75
Twentieth Fund	57.50	2.00	18.8%	575	57.5	517.5	57.5	5.75	2.875
Twenty-first Fund	60.00	2.10	19.5%	600	60	540	60	6.00	3.00
Twenty-second Fund	62.50	2.20	20.2%	625	62.5	562.5	62.5	6.25	3.125
Twenty-third Fund	65.00	2.30	21.0%	650	65	585	65	6.50	3.25
Twenty-fourth Fund	67.50	2.40	21.8%	675	67.5	607.5	67.5	6.75	3.375
Twenty-fifth Fund	70.00	2.50	22.5%	700	70	630	70	7.00	3.50
Twenty-sixth Fund	72.50	2.60	23.2%	725	72.5	652.5	72.5	7.25	3.625
Twenty-seventh Fund	75.00	2.70	24.0%	750	75	675	75	7.50	3.75
Twenty-eighth Fund	77.50	2.80	24.8%	775	77.5	697.5	77.5	7.75	3.875
Twenty-ninth Fund	80.00	2.90	25.5%	800	80	720	80	8.00	4.00
Thirtieth Fund	82.50	3.00	26.2%	825	82.5	742.5	82.5	8.25	4.125
Thirty-first Fund	85.00	3.10	27.0%	850	85	765	85	8.50	4.25
Thirty-second Fund	87.50	3.20	27.8%	875	87.5	787.5	87.5	8.75	4.375
Thirty-third Fund	90.00	3.30	28.5%	900	90	810	90	9.00	4.50
Thirty-fourth Fund	92.50	3.40	29.2%	925	92.5	832.5	92.5	9.25	4.625
Thirty-fifth Fund	95.00	3.50	30.0%	950	95	855	95	9.50	4.75
Thirty-sixth Fund	97.50	3.60	30.8%	975	97.5	877.5	97.5	9.75	4.875
Thirty-seventh Fund	100.00	3.70	31.5%	1000	100	900	100	10.00	5.00
Thirty-eighth Fund	102.50	3.80	32.2%	1025	102.5	922.5	102.5	10.25	5.125
Thirty-ninth Fund	105.00	3.90	33.0%	1050	105	945	105	10.50	5.25
Fortieth Fund	107.50	4.00	33.8%	1075	107.5	967.5	107.5	10.75	5.375
Forty-first Fund	110.00	4.10	34.5%	1100	110	990	110	11.00	5.50
Forty-second Fund	112.50	4.20	35.2%	1125</					







**Court of Appeals**

For want of it the Acas's recommendation must be set aside. His Lordship would grant a declaration that the appeal was valid and allow the appeal.

LORD JUSTICE BROWNE-WILKINSON, concurring, said that Grumwicks submitted that in breach of it section 1(1) ascertained the opinions of people who were not "workers" to whom the issue relates," namely, those who had been dismissed under section 1(1). Grumwicks submitted that they might not have ascertained or taken account of such opinions.

"Worker" was defined in section 30 of the Trade Union Act 1967 meaning "a person who works or normally works or seeks to work in the trade, business or industry." In his Lordships' opinion the strikers were "workers" as defined, and they were also "workers" to whom the issue relates."

The majority did not agree with Lord Denning's view that the strikers were not "workers" to whom the issue relates," because their dispute was not raised by a petition application made by Apex to Acas on October 15. Section 11(1) states that if an issue would have arisen before the union applied for conciliation, the issue arose in Apex's letter to Grumwicks of August 27 claiming recognition. The issue was not raised by the letter and had not been dismissed.

Though Acas's report was not clear, his Lordship was prepared to accept that the only whose opinions were obtained by Acas were people who were available and willing to be interviewed. If that is so, there can be no doubt but one of the matters about which Apex, if recognized, would wish to negotiate would be the definition of "collective bargaining" in section 226 of the 1974 Act and section 2(1) of the 1978 Act. It is wrong on the point about the strikers.

The question whether Acas was in breach of its duty under section 14(1) in failing to obtain the opinions of those who continued to work was the crucial question. It is important to note that I thought it important that the opinions of workers to whom the issue related should be ascertained. It is not enough to ascertain specific obligations of section 14 to the general and discretionary obligations of section 12(1).

Section 14 provides an opportunity for directly ascertaining the opinions of those

bound to ascertain the opinions of workers individually; it could not be done by a majority vote. But if Acas determined to take a formal ballot, his Lordship thought that the workers had to be asked the question whether they were all the workers of the description in respect of whom it was determined to take a formal ballot. If Acas could decide to ascertain the opinions of one description of workers formally by ballot and of another informally, it would be the first part of section 14(1).

If it was right that ballot papers had to be sent to all workers, it would be necessary to take a formal ballot that suggested that the opinions of all workers had to be obtained if there was not to be a secret vote. It would not need not be obtained individually or formally.

If his Lordship could not accept that Acas needed only to ascertain the opinions of such workers as it thought fit. In section 14(1) Acas was put in a difficult position and Acas was required to find out the opinions of all the workers to whom the issue related. It was not possible to rely on the true construction of section 14(1), the taking of a formal ballot and it could make no difference whether the ballot was secret and it say that it was not a formal ballot. The clue to the meaning of "formal" was to contrast between the two halves of section 14(1).

Acas did substantially comply with the provisions of section 14(2) and put in a difficult position was that Acas did not ascertain the opinions of about two thirds of the workers to whom the issue related. It was the most affected by the issue, those still working for Grumwick.

His Lordship thought that it was Acas' duty to ascertain it was Acas' duty not complied with its statutory duty. That failure invalidated Acas' report and recommendation.

JUDICIAL JUSTICE GEOFFREY LANE said that he was not able to agree with the Master of the Rolls that employers who had the right to dismiss workers had to whom the issue relates. The genesis of the issue was the letter to the workers and not the dismissal of its claim to the company at which stage the dismissed workers were still employed by Grumwick. The inclusion in the definition of "worker" of the words "seeks to work" seemed to include dismissed employees seeking reinstatement.

Acas was entitled to come to the conclusion that the issue due to some extent relate to those who were dismissed and not to be given some weight, though how much weight was another matter. One would have thought very little.

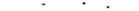
"Ballot" in the present context meant a secret vote directed to discovering the opinions of workers to whom the issue related. It was not a majority vote, the result of which Acas would be either totally or partially basing its recommendation. The word "secret" was not used and it was simply used to make it clear that the word was used stricto sensu and not in any loose or conversational way.

It would be plainly contrary to the rules of natural justice for Acas to reach any conclusion without those who would be primarily affected thereby being first afforded the opportunity of expressing their opinions of all the workers subject to the de minimis rule. That did not mean that each person had to be individually approached.

Solicitors: Trower, Solicitor & Keeling; Treasury, Solicitor; Brian Thompson & Co, Stanmore.

## Lords

award of interest in personal injury cases. The judgment was corrected under Order 22, rule 11, of the Rules of the Supreme Court so as to give the plaintiff, Mrs Audrey Cookson, £21,827 damages, the figure of £2,120 for the husband's funeral expenses at the date of the trial being



**Cookson v Knowles**  
The Court of Appeal (the Master of the Rolls, Lord Justice Lawton and Lord Justice Bridge) gave both parties leave to appeal to the House of Lords from their judgment on May 25 (*The Times*, May 26) in which they altered the guidelines laid down in *Jefford v Gee* ([1970] 2 QB 130) for the

The judgment was under Order 22, rule 11, of the Supreme Court gave the plaintiff, Mrs. Cookson, £21,827 the figure of £2,120 for her notional earnings of the trial being £2,318.

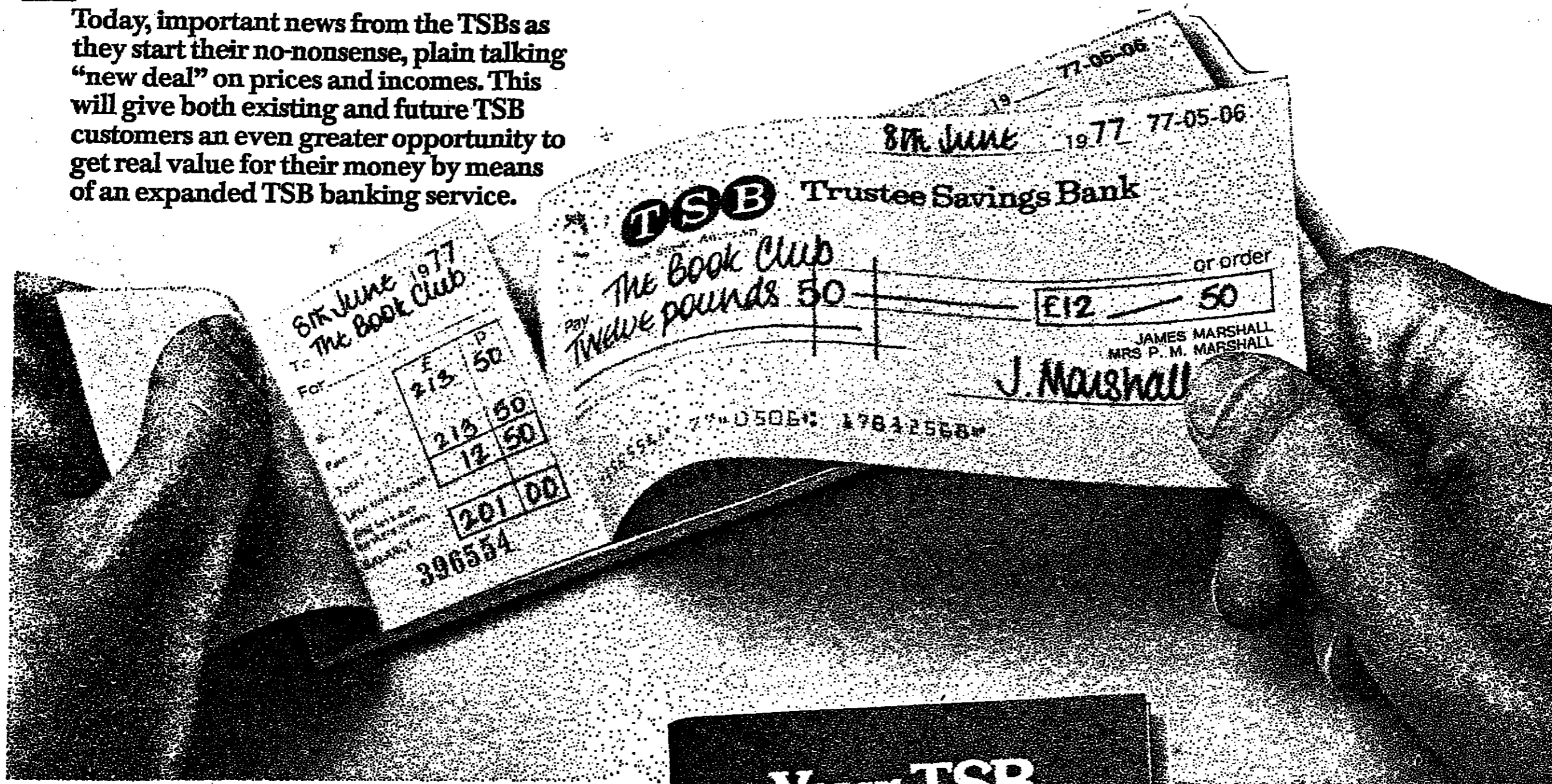






# Straight talk on prices and incomes

Today, important news from the TSBs as they start their no-nonsense, plain talking "new deal" on prices and incomes. This will give both existing and future TSB customers an even greater opportunity to get real value for their money by means of an expanded TSB banking service.



## Prices Talk

### Cheque Account Charges

At a time when prices are rising everywhere, the TSBs are freezing charges on cheque accounts.

TSB customers will know that a minimum balance of £50 maintained on a cheque account during our six-month charging period ensures that no charge will be made at all. But if your balance falls below this figure, our 2½p\* charge for each cheque, standing order or direct debit payment is still excellent value. And we guarantee that it will stay at this low figure at least until 20th May 1978.

From the beginning of August we are also raising the amount guaranteed by the TSB cheque card to £50.

### Savings Accounts

Like every major organisation in Britain today, the TSB has

fought long and hard against increased costs. For some time we have successfully held down charges on all savings accounts for payment of standing orders and direct debits.

Now we are forced to raise these charges for the regular payment of bills to 20p each. But that's as far as they will go up, at least until next May.

If you do have these regular payments, talk to your branch manager right away about opening a cheque account. That way they will only cost you 2½p\* each, or nothing at all if you have been able to keep £50 in your cheque account as described above.

But a TSB Savings Account will still offer deposits and withdrawals at absolutely no cost to you. And there is a handy 4% per annum interest rate too!

## Everything you would expect from a high street bank.

Many people still think of a TSB as just a savings bank. Certainly the TSBs began this way and certainly that's one of the reasons why today there are over 1600 branches throughout the British Isles.

Now the TSBs offer every facility you would expect from one of Britain's leading banking groups. Full details of all our services are available from your local Trustee Savings Bank.

## Your TSB Personal Loan



## Incomes Talk

### New Personal Loans Policy

If you have held a TSB bank account for one full year you can now start talking to your branch manager about that much-needed loan.

Provided you are known to us as someone who runs his or her money affairs wisely, there is no reason why it shouldn't be considered. And the repayment terms are helpfully tailored to the individual account holder.

Loans are available for many purposes, such as motor cars, home improvements, holidays, or even that hi-fi you have always dreamed of. Ask for our leaflet "Your TSB Personal Loan," which contains full details of repayments and interest rates charges.

### Temporary Credit

For those financial emergencies, you can discuss the possibility of temporary facilities with your branch manager.

### Bridging Loans and Other Facilities

The TSB may now be able to offer a bridging loan or help with other special credit requirements.

# TSB

## "It's the one for me"





## SPORT

## Cricket

## Glamorgan stretch Essex but lack final telling thrust

By Richard Streeter

ABERYSTWYTH: Essex (4 pts) beat Glamorgan by 15 runs.

Glamorgan stretched Essex yesterday but lacked the batting strength to complete a final and telling thrust against the leaders in the John Player League. Glamorgan, needing 235 to win, fell short by 15 runs. Essex, who had lost their last eight overs and Turner, Lever and Gooch proved too good for Glamorgan's batsmen. Glamorgan's batting was led by King, who scored 67 in 120 minutes, but he was out before he could make a significant impact. The match was a close-run thing, with Essex leading by 15 runs at the end of the day. Glamorgan's batting was led by King, who scored 67 in 120 minutes, but he was out before he could make a significant impact. The match was a close-run thing, with Essex leading by 15 runs at the end of the day.

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## Sadiq and Stovold put on 151 to crush Kent

A superb opening stand of 151 between Sadiq and Stovold gave Gloucestershire a decisive win over Kent at Cheltenham yesterday. Sadiq and Stovold put on 151 runs between them, with Sadiq scoring 81 and Stovold 70. Gloucestershire won by 151 runs.

Gloucestershire's batting was led by Sadiq, who scored 81 in 120 minutes, but he was out before he could make a significant impact. The match was a close-run thing, with Gloucestershire leading by 151 runs at the end of the day.

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## McCosker is in with a chance to make up for dropped catches

By John Woodcock

Cricket Correspondent

England's hopes of winning the third Test match in the two days that are left rest on the moderate batting record of the present Australian side. The pitch is a Trent Bridge special, which is as good as there is for batting, and with eight first-class batsmen, England have a good chance of making up for dropped catches.

England's batting was led by King, who scored 67 in 120 minutes, but he was out before he could make a significant impact. The match was a close-run thing, with England leading by 15 runs at the end of the day.

## Yorks v Leicestershire

Leicestershire (4 pts) beat Yorkshire by 44 runs. Leicestershire's batting was led by King, who scored 67 in 120 minutes, but he was out before he could make a significant impact. The match was a close-run thing, with Leicestershire leading by 44 runs at the end of the day.

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## Golf

## Four-way tie goes Fourie's way at second extra hole

By Peter Kyde

Golf Correspondent

In one of the most dramatic tournament finishes of recent years, John Fourie of South Africa emerged from a four-way tie to win the 18th hole at the 1977 Open Championship. Fourie, who was tied with three other players, won the hole by a margin of one stroke.

Fourie's batting was led by King, who scored 67 in 120 minutes, but he was out before he could make a significant impact. The match was a close-run thing, with Fourie leading by 15 runs at the end of the day.

## Northumberland show greater depth

The Northern Counties EGU qualifying tournament, at New-castle, was won on Saturday by Northumberland, who finished with a total of 281 for 12. Northumberland's batting was led by King, who scored 67 in 120 minutes, but he was out before he could make a significant impact. The match was a close-run thing, with Northumberland leading by 15 runs at the end of the day.

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## Business appointments

## A Guinness names 2 managing directors

Mr S. E. Darmon and Mr B. G. O'Connell are to become joint deputy managing directors of Guinness, says a statement from the company.

Mr S. E. Darmon, joint deputy managing director, will retire on September 30, Mr Darmon, a member of the parent company board, will take up his post as managing director of Guinness Son and Co (Park Royal).

Mr Peter Elmes is joining the board of Guinness, says a statement from the company. Mr Elmes is a director of Guinness Son and Co (Park Royal).

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## FINANCIAL NEWS AND MARKET REPORTS

## Insurance groups hard hit by disasters could be on road back

Several world-wide disasters, including the Tenerife air crash, last summer's drought in Britain and Europe and the freezing winter in America, have depressed the insurance sector on the stock market in recent months.

However, with several of the large groups reporting half-yearly results over the next few weeks, many brokers' analysts have been having another look at the companies. And most agree that pre-tax profits will be well up on last year.

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## Brokers' views

MEPC, too, seems set to see a rapid rise in profits. The overseas problems are starting to be resolved and the possible sale of its Canadian subsidiary should lead to earnings of 6p net by 1978-79.

Analyst Mr Roger Baden-Powell of Seabag is also backing a rising property share market. With the Government currently highlighted this week by the amount of space available for letting likely to peak out shortly and then decline, he forecasts growing institutional investment in the sector.

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## Results this week

Butterfield-Harvey's excellent outlook

In the year to April 2, profits of London-based Butterfield-Harvey were virtually unchanged—but the outlook for the current year is good. In his annual statement, Mr S. A. Roberts, the chairman, reports that, with the elimination of the losses at Greenwell and "clear evidence" of improved results elsewhere in the group, he is confident that a "substantial advance" in profits will be achieved in the current year.

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## John James, Reed Int., Hoover and DixonsPhoto

Companies reporting this week are:

TODAY: Interims, no meetings announced. Phoenix Timber, Third Mile and Warwick Eng Inv.

TOMORROW: Interims, Acorn Securities, City Office's Co, Yeoman Inv and Westinghouse. Phoenix Timber, Third Mile and Warwick Eng Inv.

WEDNESDAY: Interims, Laidlaw & Godwin, Renkoll Grp and Vesper. Phoenix Timber, Third Mile and Warwick Eng Inv.

THURSDAY: Interims, Adams & Gibbon, Davies & Metcalf, Evode Hlgs, Hoover, Jameson's Chocolate, Madam's Tussauds and Reed International. Phoenix Timber, Third Mile and Warwick Eng Inv.

FRIDAY: Interims, Witter (Grain), Witter (Nov), Witter (Jersey) and Witter (Waring & Gifford). Phoenix Timber, Third Mile and Warwick Eng Inv.

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## Prices drop on FED's move to tighten credit

Prices in the Eurodollar bond market tumbled last week, after the New York Federal Reserve Bank pushed up short-term dollar interest rates to discourage further rapid expansion of the money supply, writes AP-Dow Jones.

The sell-off was particularly pronounced among some of the recent medium-term low-coupon issues. These were obviously more vulnerable to a rise in short-term interest rates than long-term high-coupon bonds.

For example, a \$100m five-year Swedish government note issue bearing 7.5 per cent fell to 98.75 bid, 99.25 offered on Friday from 100.00-0.5 on Thursday before the Federal Reserve disclosed a large increase in the United States monetary aggregates for the week-ended July 20.

At 98.75 bid, the notes were yielding 7.81 per cent at maturity, compared with 7.5 per cent the day before. The 31 basis point increase in yield was in fact more than the overnight rise in the six-month Eurodollar rate, which rose to 6.56 per cent offered from 6.25 per cent the day before.

The pattern was similar for other short-dated low-coupon notes. For instance, a \$200m issue bearing 7.5 per cent fell to 98.75-99.25 from 99.25-99.75.

However, coupon bonds were less affected. Short-term in-

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## Euromarkets

Interest rates would have to move much further before the pro-

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## Educational &amp; Public Appointments

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## Stable sugar price moves closer

## The question of Government aid over RTZ and Westinghouse

## Mining

in favour of Westinghouse and if RTZ is unable to find any other protection, the Government will reluctantly find a reason for ordering the RTZ executives not to give evidence.

secret of its annoyance with the attempts of both Westinghouse and the United States Grand Jury to obtain evidence of its involvement—and Australia passed laws preventing the disclosure of any sensitive information. South Africa did not need to take such action since stringent

Upsetting the Americans might be an unpleasant thought for the present Administration, but it is potentially important uranium producers as Canada, South Africa and Australia as well as our Community colleagues

months—and will be continuing RTZ unless there is out of court settlement.

In fact an out of court settlement is the only way that hope will happen to bring this sorry affair to an end.

**Desmond Knox**

## Desmond Quigley

## Commodities

Geneva talks called for minimum reserve of four million tonnes, the finance for which would largely come out of producers' pockets. This was flatly rejected by producers, who refused to be swayed from their insistence on a reserve of no more than 1.3 million tonnes. For producers the size of stocks was a vital issue.

What they demanded was a pact under which supplies and prices would be regulated by exports quotas. They admitted some role for stocks, seeing them as the final line of defence in the event of any widespread crop disaster. But they insisted that they be kept at the minimum level. Since for many producers an agreement which forced them to withhold, say, 20 per cent of their crop from the market would be

That they achieved more in 10 days in London than in weeks in Geneva was a reflection of the new found determination of many countries not to let slip what could be the last chance to instil some stability into the world sugar market. But the success of the London meeting was also a triumph for those who drew up its agenda.

This restricted delegates discussing only points of der and prevented them from g ring bogged down in fruit debate about possible fun mental changes of approach

Nevertheless, this did prevent the United States producing a formula which could provide the bridge between producer and consumer camps differing ideas on stocks. Geneva, in fact, one of the points on which the talks floundered was the question of stocks and methods of financing.

ing them—and it was the United States which was chiefly responsible for the rift.

The motion the United States tabled at the outset of 1954

In the end, the United States was forced to concede ground on this point, but then came under fire from consumers for proposing an arrangement which would force them to help finance producers' stocks. Now, though, the United States claims to have found the answer.

It is proposed a reserve of three million tonnes and suggested that all sugar traded on the free market should be subject to a levy of \$4 per tonne. Producers could then

draw upon these funds, borrowing the money interest free, to service their reserves. This scheme, which is likely to be the focal point of the September talks, has already drawn some response from producers, who now say that they would accept stock levels of two million tonnes.

Some producers may even go as high as 2.5 million tonnes if consumers like Japan and Canada can be persuaded

to accept the United States  
proposal.

The other big issue in Geneva was price, and there, too, there is now a greater agreement. At the April-May talks, the body of producers backed the Cuban call for a minimum agreement price of 15 cents per lb. which compares with a current price in New York of around 7.75 cents per lb.

Consumer price ideas ranged as low as 6 cents, with the United States again adopting a line totally different from everybody else. The United States is keen to see minimum

Sugar producers in the United States say they need a price of 13.5 cents to cover costs. High cost producers in the Caribbean reckon that they need a similar return, though the talks it now looks as if producers will settle for a minimum guarantee of 13 cents.

This, they argue, is a level which would not spark a mass defection of consumers to artificial sweeteners, and some privately concede their willingness to accept a floor price of 1 cent—which may be very near the area of compromise.

So everything now hangs on the outcome of the three weeks

which destroyed the last council meeting will then have a chance to reemerge, but delegates are confident that with the framework of a new agree-

Then there are all the secondary but equally controversial issues like the special

...arrangements which Cuba  
...with the Soviet Union; and  
...the policing of stocks. There  
...much hard bargaining to  
...come but nobody is prepared

to write off the chances of a new pact.

Unit Trust Prices—change on the week FT Index change on week 440.2+8.7 (2.0%)

Sec. No.	Sec. Name	Current	Old	Offer	Yield	Sec. No.	Sec. Name	Current	Old	Offer	Yield	Sec. No.	Sec. Name	Current	Old	Offer	Yield	Sec. No.	Sec. Name	Current	Old	Offer	Yield
1	Authorized Unit Trusts					101	101					201	201					301	301				
2	Authorized Unit Trusts					102	102					202	202					302	302				
3	Authorized Unit Trusts					103	103					203	203					303	303				
4	Authorized Unit Trusts					104	104					204	204					304	304				
5	Authorized Unit Trusts					105	105					205	205					305	305				
6	Authorized Unit Trusts					106	106					206	206					306	306				
7	Authorized Unit Trusts					107	107					207	207					307	307				
8	Authorized Unit Trusts					108	108					208	208					308	308				
9	Authorized Unit Trusts					109	109					209	209					309	309				
10	Authorized Unit Trusts					110	110					210	210					310	310				
11	Authorized Unit Trusts					111	111					211	211					311	311				
12	Authorized Unit Trusts					112	112					212	212					312	312				
13	Authorized Unit Trusts					113	113					213	213					313	313				
14	Authorized Unit Trusts					114	114					214	214					314	314				
15	Authorized Unit Trusts					115	115					215	215					315	315				
16	Authorized Unit Trusts					116	116					216	216					316	316				
17	Authorized Unit Trusts					117	117					217	217					317	317				
18	Authorized Unit Trusts					118	118					218	218					318	318				
19	Authorized Unit Trusts					119	119					219	219					319	319				
20	Authorized Unit Trusts					120	120					220	220					320	320				
21	Authorized Unit Trusts					121	121					221	221					321	321				
22	Authorized Unit Trusts					122	122					222	222					322	322				
23	Authorized Unit Trusts					123	123					223	223					323	323				
24	Authorized Unit Trusts					124	124					224	224					324	324				
25	Authorized Unit Trusts					125	125					225	225					325	325				
26	Authorized Unit Trusts					126	126					226	226					326	326				
27	Authorized Unit Trusts					127	127					227	227					327	327				
28	Authorized Unit Trusts					128	128					228	228					328	328				
29	Authorized Unit Trusts					129	129					229	229					329	329				
30	Authorized Unit Trusts																						

## Bank Base Rates

clays Bank ....	8½%
olidated Crdts	8½%
st London Secs	8½%
Hoare & Co ...	*8½%
yds Bank .....	8½%
land Bank	8½%

## More share prices

The following will be added to the London and Regional Share Price List tomorrow and will be published daily in Business News:

- Commercial and Industrial
- Comben Group
- Oils
- Century Oils

**J. H. NIGHTINGALE & CO. LIMITED**  
 1, Abchurch Lane, London, E.C. 4, ENGLAND

Altitude	Company	Price Pct/Day	Change Pct/Day	Gross Div/1P	Yld %	P/E
00	Airsprung Ord	41	+2	4.2	10.3	7.6
50	Airsprung 181% CULS	137	+1	10.1	13.5	—
07	Airsprung Rhodes	108	+3	12.0	3.2	—
07	Bardon Bdl	108	+3	12.0	11.1	7.4
93	Deborah Ord	141	—	8.2	5.8	7.1
98	Deborah 17% CULS	149	—	17.5	11.8	—
00	Frederick Parker	135	+1	11.5	8.5	6.5
65	Henry Sykes	84	-2	2.4	2.9	8.1
50	Jackson Group	46	+1	5.0	10.8	6.4
71	James Burrough	48	+1	6.0	9.7	7.7
71	Robert James	280	-2	27.0	9.6	4.7
92	Timlock Ord	11	—	—	—	—
92	Twinclock 12% ULS	62	—	12.0	19.3	—
29	Unislock Holdings	65	—	6.1	9.4	8.2
06	Walter Alexander	76	—	5.8	7.6	8.5

**J. W. Spear & Sons Ltd**  
(Manufacturers of Games and Educational Toys)

**The Chairman. Mr. J. R. SPEAR, reports on 1976**

	1976	1975
	£	£
Turnover	5,851,764	4,890,478
Group profit before tax	2,389,555	2,009,720
Group profit after tax	1,239,910	935,480
after minority interest	1,171,061	803,716
Gross Dividend	103,121	94,685

- **TRADING RESULTS.** They represent a new record and have risen in 11 out of the 12 last years.
- **DIVIDENDS.** The Directors would have proposed a considerably larger final had they been permitted to do so.
- **EXPORTS** amounted to £2,570,582 (£1,858,388).
- **OUTLOOK.** Since December 1876, costs have risen considerably, but increased orders and selling prices should lead to another satisfactory year.

**HANKIE COLLIERY COMPANY LIMITED**

**WANKIE COLLIERY COMPANY LIMITED**  
(Incorporated in Rhodesia)  
**NOTICE TO HOLDERS OF 5% PER CENT FIRST  
MORTGAGE DEBENTURE STOCK 1967/1975**  
INTEREST PAYMENT NO. 48

Notice is hereby given that no transfers or debenture stock will be  
altered by the Company during the period 15th to 31st August, 1977.  
Dates inclusive, and that warrants in payment of interest due in  
set of the half year ending 31st August, 1977, are due to be paid on  
date to debenture stockholders registered at the close of business  
28th August, 1977.

Interest is payable in United Kingdom currency and payment will be  
made by Cashier and Johannesburg in the Rhodesia or South African  
valent or the sterling value at the rate of exchange ruling at the  
9 s. of busines on 31st August, 1977. Cheques in payment of interest  
be despatched as soon as possible thereafter.

In terms of exchange control regulations payment of interest in stock-  
er resident in the United Kingdom, Zambia or Tanzania must be paid  
blocked account in the shareholder's name with a registered comman-  
bank in Rhodesia. Arrangements are being made for stockholders  
from the United Kingdom and who are residents in the  
ed Kingdom, Zambia or Tanzania to be paid their interest from  
sets.

**ANGLO AMERICAN CORPORATION OF SOUTH AFRICA LIMITED**  
Secretary  
P. D. H. A. Harrison

Office of the United Kingdom  
Trusts  
Charter Consolidated Limited,  
PO-Box 102,  
Charter House, Park Road,  
Ashford, Kent, TN24 5ED.

son Office :  
Telbourn Vicarage,  
P 1A1.

July, 1977

# Stock Exchange Prices Capitalization and week's change

ACCOUNT DAYS: Dealings Began, July 25. Dealings End, Aug. 5. Contango Day, Aug. 8. Settlement Day, Aug. 16

Forward bargains are permitted on two previous days

(Current market price multiplied by the number of shares in issue for the stock quoted)

Company	Price	Chg	Grav	Div	Yield	Cap	Price	Chg	Grav	Div	Yield	Cap	Price	Chg	Grav	Div	Yield	Cap	Price	Chg	Grav	Div	Yield	Cap
<b>BRITISH FUNDS</b>																								
British Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
British Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>COMMONWEALTH AND FOREIGN</b>																								
Commonwealth Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Commonwealth Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>LOCAL AUTHORITIES</b>																								
Local Authority Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Local Authority Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>FOREIGN STOCKS</b>																								
Foreign Stock Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Foreign Stock Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>DOLLAR STOCKS</b>																								
Dollar Stock Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Dollar Stock Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>BANKS AND DISCOUNTS</b>																								
Bank and Discount Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Bank and Discount Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>BREWERIES AND DISTILLERS</b>																								
Brewery and Distillery Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Brewery and Distillery Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>INSURANCE</b>																								
Insurance Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Insurance Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>INVESTMENT TRUSTS</b>																								
Investment Trust Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Investment Trust Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>PROPERTY</b>																								
Property Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Property Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>RUBBER</b>																								
Rubber Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Rubber Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>MISCELLANEOUS</b>																								
Miscellaneous Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Miscellaneous Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>SHIPPING</b>																								
Shipping Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Shipping Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>MINES</b>																								
Mines Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Mines Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
<b>FINANCIAL TRUSTS</b>																								
Financial Trust Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100
Financial Trust Fund	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100	100	0	0	0	0	100

مكتبة العامة















# England catch hold of a chance to go two up in series

## Middlesex have a lot of work ahead of them

## Zaheer's double century

Chaele is not exactly a young-ster, years old last Sunday with 300 first class overs behind him before this season began, and for many wickets to show for his efforts. He is a St. George's school, which ought to have produced more first class cricketers than it has. However, left-arm bowlers are often difficult to come by. He is a right hand batsman, and to their last 25s Chaele looked to have the right ingredients. He made Procter edge a ball which fell short so fast, and then beat him outside the off-stump, when he was trying to cut.

Procter contemplated these phenomena with mild surprise, and then about Chaele and then was told by Mr. Innes that he was a left-hander. In his robust way, glowing in the hot afternoon sun, like

**GLoucestershire:** First Innings  
Basilie Mohammed, c Barclay, b 22  
A. W. Stoddard, c and b Hussa 10  
D. A. H. Hignell, c Long, b Hussa 20  
J. A. Hignell, c Long, b Hussa 20  
D. R. Shepherd, b Innes 17  
D. Spencer 8  
D. Spencer, c Munday, b Hussa 8  
D. A. Graves, c Hussa, b Shaw 16  
Extras (12 b, 2 w, 1 n-b) 3

Total 7 wickets, 100 overs 353  
No. ball. Vernon and J. H. Childs did not bat.

**FALL OF WICKETS:** 1-0 2-146 3-259 4-300 5-300 6-317 7-353

**BOWLING:** Innes 17-5 56-2 56-2 56-2  
Shaw 18-5 56-2 56-2 56-2  
Chaele 18-5 56-2 56-2 56-2  
C. Munday 1-0 12-0 1-0  
Knight, 4-0 12-0 0

Runs for points Gloucestershire 7.  
Sussex 7  
Unders: W. L. Bush and D. O.

A black and white photograph showing a group of people, possibly athletes, standing in front of a large banner. The banner features the text "British Commonwealth Games" in a stylized font. The people are dressed in light-colored clothing, and the scene appears to be outdoors.

Total		309
FALL OF WICKETS:	1—18,	2—60
1—254,	3—279,	4—340,
5—379,	6—308,	7—10
BOWLING: WILLS,	25—6—68	S.
Hendrick,	32—14—36—2	Botham,
Woodward,	27—15—49—1	Milner,
Underwood,	27—15—49—1	Miller,
5—2—5; Woolmer,	3—0—3—0,	
 ENGLAND: First Innings. 369		
G. Boycott, not out	6	Boycott 107;
L. S. Pascoe (4 for 90),		
Second Innings		
J. M. Bransley, not out		.. 5
G. Boycott, not out		.. 12
Extras		.. 1
Total (no wkt.)		.. 17.
R. A. Woolmer, D. W. Randall,		
A. W. Greig, F. A. P. E. Keart, I. T.		
and R. G. D. Willis to bat.		
BOWLING (to date): Thomson,		6—0—
Umpires: H. D. Bird and		

## Somerset dismissed in 18 overs

[illegible]

## es Test claims al innings

Extras (1-b 13, n-b 7) .. 20  
-Total (85.5 oves) .. 532  
ALL OF WICKERS: 1-62, 2-97,  
3-101, 4-104, 5-54, 6-190,  
7-304, 8-304, 9-532, 10-532.  
OWLING: Silverster 2-5-86  
Stevenson 24-5-86  
Insp. 31-5-75, 1: Cope: 9-5  
1-1: Bore: 6-0-23-8.  
Longa points: Yorkshire 6. Hamp-  
shire 8  
Impres: W. E. Alley and A. G. T.

# Depth in batting puts Kent in command

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## Tempers are ruffled by calm waters

## British girls' team are drawn against Spain

When he came to a part of the book that dealt with the magazine, Tennia. This beautiful produced book is packed with wisdom of the game's leading players and provides an unusual "good" read for a player. It is not a "how to" manual, but it is more; it provides a understanding of the game; and will enjoy it so much that they will realize the lessons are still home.

**FALMOUTH:** British Dart-  
shid. First race: 1. Lász-  
Armageddon (J. Savage, Ire-  
2. 21 Nudge Art (J. Pitt, Ire-  
3. 21 Nudge Art (J. Pitt, Ire-  
Netherlands); 4. 600 Sigm-  
Michiam, Thorpe Bay); 5.  
Hopper (R. Thomas, Resour-  
673 T. Pearce, Thorpe Bay);  
race: 1. 529 Sigmund, Resour-  
2. 529 Sigmund, Resour-  
3. Fraser, Restrongnet; 4. 1.  
Friction (P. Samu, Resour-  
674: 6. 555 R. Mars, Resour-  
**STOCKHOLM:** Sweden  
championships: 1. W. Al-  
2. 3. 4. 5. 6. 7. 8. 9. 10. 11. 12. 13. 14. 15. 16. 17. 18. 19. 20. 21. 22. 23. 24. 25. 26. 27. 28. 29. 30. 31. 32. 33. 34. 35. 36. 37. 38. 39. 40. 41. 42. 43. 44. 45. 46. 47. 48. 49. 50. 51. 52. 53. 54. 55. 56. 57. 58. 59. 60. 61. 62. 63. 64. 65. 66. 67. 68. 69. 70. 71. 72. 73. 74. 75. 76. 77. 78. 79. 80. 81. 82. 83. 84. 85. 86. 87. 88. 89. 90. 91. 92. 93. 94. 95. 96. 97. 98. 99. 100. 101. 102. 103. 104. 105. 106. 107. 108. 109. 110. 111. 112. 113. 114. 115. 116. 117. 118. 119. 120. 121. 122. 123. 124. 125. 126. 127. 128. 129. 130. 131. 132. 133. 134. 135. 136. 137. 138. 139. 140. 141. 142. 143. 144. 145. 146. 147. 148. 149. 150. 151. 152. 153. 154. 155. 156. 157. 158. 159. 160. 161. 162. 163. 164. 165. 166. 167. 168. 169. 170. 171. 172. 173. 174. 175. 176. 177. 178. 179. 180. 181. 182. 183. 184. 185. 186. 187. 188. 189. 190. 191. 192. 193. 194. 195. 196. 197. 198. 199. 200. 201. 202. 203. 204. 205. 206. 207. 208. 209. 210. 211. 212. 213. 214. 215. 216. 217. 218. 219. 220. 221. 222. 223. 224. 225. 226. 227. 228. 229. 230. 231. 232. 233. 234. 235. 236. 237. 238. 239. 240. 241. 242. 243. 244. 245. 246. 247. 248. 249. 250. 251. 252. 253. 254. 255. 256. 257. 258. 259. 260. 261. 262. 263. 264. 265. 266. 267. 268. 269. 270. 271. 272. 273. 274. 275. 276. 277. 278. 279. 280. 281. 282. 283. 284. 285. 286. 287. 288. 289. 290. 291. 292. 293. 294. 295. 296. 297. 298. 299. 300. 301. 302. 303. 304. 305. 306. 307. 308. 309. 310. 311. 312. 313. 314. 315. 316. 317. 318. 319. 320. 321. 322. 323. 324. 325. 326. 327. 328. 329. 330. 331. 332. 333. 334. 335. 336. 337. 338. 339. 340. 341. 342. 343. 344. 345. 346. 347. 348. 349. 350. 351. 352. 353. 354. 355. 356. 357. 358. 359. 360. 361. 362. 363. 364. 365. 366. 367. 368. 369. 370. 371. 372. 373. 374. 375. 376. 377. 378. 379. 380. 381. 382. 383. 384. 385. 386. 387. 388. 389. 390. 391. 392. 393. 394. 395. 396. 397. 398. 399. 400. 401. 402. 403. 404. 405. 406. 407. 408. 409. 410. 411. 412. 413. 414. 415. 416. 417. 418. 419. 420. 421. 422. 423. 424. 425. 426. 427. 428. 429. 430. 431. 432. 433. 434. 435. 436. 437. 438. 439. 440. 441. 442. 443. 444. 445. 446. 447. 448. 449. 450. 451. 452. 453. 454. 455. 456. 457. 458. 459. 460. 461. 462. 463. 464. 465. 466. 467. 468. 469. 470. 471. 472. 473. 474. 475. 476. 477. 478. 479. 480. 481. 482. 483. 484. 485. 486. 487. 488. 489. 490. 491. 492. 493. 494. 495. 496. 497. 498. 499. 500. 501. 502. 503. 504. 505. 506. 507. 508. 509. 510. 511. 512. 513. 514. 515. 516. 517. 518. 519. 520. 521. 522. 523. 524. 525. 526. 527. 528. 529. 530. 531. 532. 533. 534. 535. 536. 537. 538. 539. 540. 541. 542. 543. 544. 545. 546. 547. 548. 549. 550. 551. 552. 553. 554. 555. 556. 557. 558. 559. 560. 561. 562. 563. 564. 565. 566. 567. 568. 569. 570. 571. 572. 573. 574. 575. 576. 577. 578. 579. 580. 581. 582. 583. 584. 585. 586. 587. 588. 589. 590. 591. 592. 593. 594. 595. 596. 597. 598. 599. 600. 601. 602. 603. 604. 605. 606. 607. 608. 609. 610. 611. 612. 613. 614. 615. 616. 617. 618. 619. 620. 621. 622. 623. 624. 625. 626. 627. 628. 629. 630. 631. 632. 633. 634. 635. 636. 637. 638. 639. 640. 641. 642. 643. 644. 645. 646. 647. 648. 649. 650. 651. 652. 653. 654. 655. 656. 657. 658. 659. 660. 661. 662. 663. 664. 665. 666. 667. 668. 669. 670. 671. 672. 673. 674. 675. 676. 677. 678. 679. 680. 681. 682. 683. 684. 685. 686. 687. 688. 689. 690. 691. 692. 693. 694. 695. 696. 697. 698. 699. 700. 701. 702. 703. 704. 705. 706. 707. 708. 709. 710. 711. 712. 713. 714. 715. 716. 717. 718. 719. 720. 721. 722. 723. 724. 725. 726. 727. 728. 729. 730. 731. 732. 733. 734. 735. 736. 737. 738. 739. 740. 741. 742. 743. 744. 745. 746. 747. 748. 749. 750. 751. 752. 753. 754. 755. 756. 757. 758. 759. 760. 761. 762. 763. 764. 765. 766. 767. 768. 769. 770. 771. 772. 773. 774. 775. 776. 777. 778. 779. 780. 781. 782. 783. 784. 785. 786. 787. 788. 789. 790. 791. 792

good "read" for a work of kind. Its readers will achieve thorough understanding of the game; and will enjoy the so much that they will realize the lessons are some.

## Riches-to-rags fact with all the virtues of fiction

[illegible]

Never popular, Tilden was a home  
in of many contradictions. He

### Backer itinerary

**Under-25 competition**  
**SAUNTON:** Hampshire 221 for 7  
 100 not out; G. P. Iles 59;  
 213 for 5. (Inc. Olive 88).  
 Hampshire won by 7 runs.

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**Today's cricket**  
**1ST TEST MATCH (11.0 to 5.30)**  
 6.0.  
**GLoucestershire v Australia**  
**UNITED CHAMPIONSHIP (11.0 to 1.0)**

30 or 6.0			
STERFIELD:	Derbyshire		
Warwickshire			
ANSEA: Glamorgan v Kent			
MILTENHAM:	Gloucestershire		

CESTER: Leicestershire v Middlesex  
 OTAL: Surrey v Northamptonshire  
 CESTER: Worcestershire v Essex  
 DE: Yorkshire v Hampshire  
 ER MATCH  
 D'S: M.C.C. v Ireland  
 END COMPETITION  
 CCE END: Middlesex II v Lancashire II  
 LMSFORD: Essex II v Warwickshire II  
 LINGBOROUGH: Northamptonshire II v Derbyshire II  
 FOR COUNTIES COMPETITION  
 LE: Oxfordshire v Dorset  
 CE: Wiltshire v Somerset

tively lowly station in creative writing would be an interesting subject for debate. Perhaps the

—an aunt and a cousin— whose home was his base for 33 years. A connoisseur of music and an outstanding bridge player, he was also a diverse intellectual enthusiasm. But essentially he was a showman. This, together with his civility and generosity, lay behind his indefatigable failures as playwright, actor (he even played *Macbeth*), director and producer of the theatre and the film industry. In 1939 he moved to Los Angeles, which had become his

...ritual home because of his close association with the film fraternity. He enjoyed the glamour of show society and had the means

"When he came into the room was like a bolt of electricity to the place," George Lott, a Davis Cup colleague, said. "There is a feeling of awe, as though you were in the presence of royalty. You knew you were in contact with greatness. The atmosphere became charged. You felt completely dominated."

Never popular, Tilden was a man of many contradictions. He

teenage boys and, in a  
harmlessly helpful relation  
with his tennis-playing p

outstanding work of sports photography: an arresting, to be sure, but such as this to be made needs sporting fiction? This work originally appeared in the magazine *Sports Illustrated*. Two more United States magazines have produced outstanding photographs this year. The "World Tennis" was far ahead of the rest of its kind on either side of the Atlantic and has already become a collector's item. A

*Strokes and Strategies* (Holt and Stoughton, 218 pages, \$4.95) is a revised collection

Instructional articles from magazine *Tennis*. This beam of wisdom of the game's leading experts and provides an unusual "good read" for a work of its kind. Its readers will achieve more thorough understanding of the game, and will enjoy the game so much that they will realize the lessons are still some.

**Don Ball**

# nerability for Sangster to exploit

Philips responded to the sight of Aramis Stakes at Wednesday was the meeting I am confident of a week's success. Unbeaten in his career, Aramis was considered to be unbeatable by the owners and the public alike. The son of Aramis, who was unbeaten in his career, was considered to be unbeatable by the owners and the public alike. The son of Aramis, who was unbeaten in his career, was considered to be unbeatable by the owners and the public alike.

Curragh by Dermot Wells, and her objective is the Moylagre Stakes, which will be run on the Curragh towards the end of this month. "And only after we have seen all three perform will we decide which one to bring over to the Cheveley Park Stakes," Mr. Sangster said yesterday. "After a little while which is not all that far from her owner's home in the Isle of Man, Fairy Bridge is by a long way the best of the three. Thatch, who has already begun to make a name for himself as a stallion this season with his first crop of two-year-olds, is showing the speed for which Thatch was renowned. Fairy Bridge has won both her races at Phoenix Park, the second by as much as five lengths. When Turkish Treasure won the Cherry Hinton Stakes at Newmarket last month, the best she can comfortably do two lengths and a half, and she has subsequently paid her tribute when she beat the Princess Margaret Stakes at Ascot. But it was not such a bold complacent as the one paid to Sookera by the Tumbledown Stakes at Goodwood last Saturday. At Royal Ascot Sookera beat Tumbledown by a length and a half in the Cheveley Park Stakes and on Saturday Tumbledown won the Rous Memorial Stakes by four lengths in record time at Goodwood. All in all, it is difficult to escape

# Duke of Hopefield should win at Redcar

From Desmond Stoneyham, French Racing Correspondent, Paris, Aug 1. The filly Vif, who was brought up with a perfectly timed race at Redcar, took the Prix Robert Papin at Evry today. Second past the post was the Italian colt Sammler, Lester Nicoll finished third and Emboss, who was a great credit in the race, took the Newmarket Stakes. Ronald Boss, the favourite, Acamis, also stood out in the preliminaries, but I think it is fair to say that there was no great looker among the contestants. When the race opened for the two-year-old classic, several of the field went off at a terrific pace. Among the early leaders was the Italian-trained El Muletta headed off by the French-trained Vif, but in the corner of one's eye Vif and Emboss could be seen to be making progress up the centre of the course. El Muletta still led with a furlong to run, but he was being rapidly caught by Vif and Emboss. The final stages Vif

# Vific scores with a perfectly timed and almost record late run

showed impressive speed to win comfortably by one length and a half from Sammler, with Emboss a neck away. Talking about the race after Boss added: "Given good or fast ground and five furlongs, I'd beat this field again anywhere." Certainly today's track was on the fast side, but the time returned was fast, just 1.56.00, and the record for five furlongs and a half at Evry. Guy Bonaventure stated that Acamis found the early pace too rapid. The young trainer feels that the filly Vif needs further time to all being well, Acamis will next appear in the six-furlong Prix Morry at Deauville on August 21. The Morry is also a possible target for the victorious Vif, but the trainer, Francois Boutin, also has Super Concorde in the race. Possibly the best two-year-old colt in France, Super Concorde will race in the Prix de Cabourg over six furlongs at Deauville next Saturday. The Italian contestants in the Robert Papin stay in France to contest the Prix Morry. Alessandro Perone, who owns and trains the second runner, Sammler, has an amazing record in the Prix, having finished third in 1975 with Pollock, fourth last year with Emboss, and second today. Sammler is half-brother to

# aking to subjugate Alaskan Prince

Prince, described by Bill Marshall as possibly the best two-year-old he has had in many years of training, won his last race over seven furlongs, the valuable Robert B. Masser Group Trophy at Beverley, in good style by a length from the odds-on favourite, Swing Bridge. The form looks good since Prince has won his previous race at Newmarket, where he had been third in the Coventry Stakes at Royal Ascot. Mr. Marshall, to judge from the betters' reaction, a half in the Coventry Stakes and on Saturday Tumbledown won the Rous Memorial Stakes by four lengths in record time at Goodwood. All in all, it is difficult to escape

making came away from the Metroland Stakes at Newmarket over the stiff Newcastle seven furlongs a week ago. It may be that the best performance from this three-year-old was his first. Prince gave him slight preference over Alaskan Prince. Lord Derby's four-year-old filly, Broken Record, won the £10,000 Telford Trophy Handicap on the same day. Today she ran unplaced to two-year-old fillies. On her first appearance at Lingfield two weeks ago she ran unplaced to two-year-old fillies. On her first appearance at Lingfield two weeks ago she ran unplaced to two-year-old fillies. On her first appearance at Lingfield two weeks ago she ran unplaced to two-year-old fillies.

Bath results  
2.0.12.02.1. SALTFOOT STAKES (£530: 1m)  
Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.

Ripon  
2.15. (2.15) CHALLENGE MATCH  
Leflate, J. C. by Mr. J. Sangster, 11-10. 1. Leflate, J. C. by Mr. J. Sangster, 11-10. 1. Leflate, J. C. by Mr. J. Sangster, 11-10.

Folkstone  
2.25. (2.25) WINDMILL STAKES  
Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.

Wolverhampton  
2.30. (2.30) WINDMILL STAKES  
Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.

## r programme

- OARD HANDICAP (£668: 1m)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- MALE STAKES (3-y-o: £569: 1 1/4m)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- MALE HANDICAP (2-y-o: £1314: 7f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- MALE HANDICAP (3-y-o: £1291: 1 1/4m)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- MALE HANDICAP (2-y-o: £1293: 5f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- MALE STAKES (3-y-o: £717: 1 1/4m 160yd)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- LE STAKES (3-y-o fillies: £960: 7f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- HALL HANDICAP (£1,598: 1m)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- OF NORFOLK HANDICAP (2-y-o: £2,229: 7f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- NS STAKES (£1,048: 1 1/4m)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- HANDICAP (3-y-o: £1,559: 1 1/4m)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- TH COAST STAKES (£1,213: 5f 66yd)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.

## Ayr programme

- 2.15 MONKTON HANDICAP (Apprentices: £802: 7f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 2.45 HEADS OF AYR STAKES (£1,055: 1m 7f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 3.15 CUNNINGHAM HANDICAP (£1,154: 1m 5f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 3.45 HERONSLEA STAKES (3-y-o: £1,085: 7f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 4.15 AUCHINCRAIG HANDICAP (£657: 6f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 4.45 CHAPLE PARK STAKES (2-y-o fillies: £994: 6f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.

## Ayr selections

- By Our Racing Staff  
2.15 Fettercairn, 2.45 New Seeker, 3.15 Broken Record, 3.45 Metroland, 4.15 Portrayal, 4.45 Fine Wine.
- By Our Newmarket Correspondent  
2.45 The Dodger, 3.15 Broken Record, 3.45 Blessed Scoundrel, 4.45 Fine Wine.
- By Our Redcar Correspondent  
2.0 Ewe, 2.30 Donna, 3.0 EDWARD GEORGE is specially recommended, 3.30 Rib Law, 4.0 Callacopper, 4.30 Duke of Hopefield, 5.0 Merganser.
- By Our Newmarket Correspondent  
3.30 Guana, 4.30 Duke of Hopefield.

## Wolverhampton programme

- 2.15 WOOTTESLEY STAKES (Maidens: 2-y-o colts and geldings: £521: 5f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 2.45 BREWDOCK STAKES (2-y-o: £396: 5f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 3.15 MIDLAND CRESSWITCH STAKES (Handicap: £1,676: 2m 192yd)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 3.45 DARLSTON STAKES (3-y-o maidens: £894: 1m 1f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 4.15 GALLEY STAKES (Handicap: £395: 1m 1f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 4.45 SUMMER STAKES (Handicap: 3-y-o: £687: 5f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.

## Newton Abbot

- 2.15 Woottesley Stakes (Maidens: 2-y-o colts and geldings: £521: 5f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 2.45 Brewdock Stakes (2-y-o: £396: 5f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 3.15 Midland Cresswitch Stakes (Handicap: £1,676: 2m 192yd)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 3.45 Darlston Stakes (3-y-o maidens: £894: 1m 1f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 4.15 Galley Stakes (Handicap: £395: 1m 1f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.
- 4.45 Summer Stakes (Handicap: 3-y-o: £687: 5f)  
1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10. 1. Sawlow, G. C. by Mr. J. Sangster, 11-10.

# All letters and parcels to London NW2.

The Post Office is pleased to announce that the delivery of mail has been resumed in the NW2 area of London. However, there is a very considerable backlog of mail to be delivered and customers are still advised not to post letters or parcels to NW2 for the time being. The Post Office very much regrets the inconvenience caused to customers during this difficult period.



## SPORT

## Rugby Union



Alun Lewis, who will join the Lions in New Zealand on Thursday as a replacement scrum half.

## Pontypool front row chosen for Lions

Pukekohe, New Zealand, Aug. 1. —The British Lions were dealt a double blow today with confirmation that Brynmor Williams was out of the New Zealand tour and with news that Gareth Edwards was also out of the tour. George Burrell, the tour manager, said Williams, who has a hamstring injury, would remain in New Zealand as a guest of the New Zealand Rugby Football Union and would be replaced by Alun Lewis, who would arrive in Auckland on Thursday.

## Golf

## South African to lead the Rest of the World team

Hugh Balfour, of South Africa, will lead the Rest of the World team in the world team event, sponsored by Double Diamond, at Glenageary from August 18 to 20. The players on the side will be Hsein Min Nam, of Taiwan, Kajuo Yoshikawa, of Japan, Ernesto Acosta, of Mexico, and Simon Hobday, of South Africa.

## Football

## Macdonald and Hudson may come off list

Malcolm Macdonald and Alan Hudson could be taken off the Arsenal transfer list after the chairman, Denis Hill-Wood, yesterday.

## Rugby League

## International fixtures to be discussed

The future of the coming season's international matches between England and France and Wales and France will be discussed by the Rugby League's International Committee at its meeting at St. James' Park tomorrow.

## Baseball

AMERICAN LEAGUE: New York Yankees, Boston Red Sox, Toronto Blue Jays, Baltimore Orioles, Cleveland Indians, Chicago White Sox.

## Horse show

## Five strong teams in Dublin event

From Pamela Macgregor-Morris, Dublin, Aug. 1. Five full international teams, and individuals from three more nations, have arrived here for the 100th horse show of the Royal Dublin Society, which opens tomorrow July, who won the Nations Cup in Rome and Barcelona but by England, have sent a strong team to the land which supplies them with their horses—Colonel Piero D'Inzeo, his younger brother, Raimondo, the 1972 Olympic champion, Graziano Mancinelli, and young Giorgio Nudi, who was in the last Olympic team.

West Germany, who won the Agz Khan Trophy last year, fielded a double team in the front row, it is sheer coincidence that they come from Pontypool", he said. The three are Price, Windsor and Fawcett.

Among the nine Irishmen competing as individuals are Commandant Larry Kieley and Michael Hickey. Hugo Simon has come from Austria and John Simpson from Canada. They will add even more lustre to the international jumping on this vast and beautiful jumping enclosure over courses built by Eddie Butler, a cultural superintendent of the RDS, who has been invited by the Australian and New Zealand federations to hold the event here in 1978 and at a New Zealand show in the autumn.

## Polo

## Harrison Cup to Los Locos in close final

By a Special Correspondent. Despite giving a penalty one goal in the closing seconds of the final, Los Locos have won the Harrison Cup to Los Locos in a close final.

In a close match in which three of the four chukkas finished with a half goal difference, Croto, the strong-chukking Los Locos, had a hand in all his team's goals. He started his fine performance by passing for Newton to score.

## Today's football

ANGLO-SCOTTISH CUP: Burnley v. Blackburn, Fulham v. Orient.

## Modern pentathlon

## Clarke is riding for a new junior record

Nigel Clarke, of Rickmansworth, could set a new record in the British junior modern pentathlon championships at Esher. After the fourth of the five events, Clarke, the title holder, held a lead over the field and needs only a reasonable performance in the riding today to beat the record.

## Australia sponsored

By a Special Correspondent. The Lawn Tennis Association of Australia today announced a \$250,000 (22,800) sponsorship of Australia's Davis Cup effort over the next five years.

## Why council house sales would save the country untold millions

Cost and income per completed home			
Loan charges	438	Rents paid	336
Management and maintenance	292	Rate and taxpayers' subsidies	394
	730		730

Costs and income on a sale at £8,000 (market value less discount)			
Loan charges	438	Mortgage repayments at 10 1/2% over 25 years	910
Residual management	30		
Surplus	422		910
	890		

There has been a commotion—partly fuelled by Shelter—over the long-term cost of selling council homes to tenants, a policy which the new Conservative Government has copied in fulfilment of an election pledge.

Using Leeds council figures as a base and by making some erratic and untenable assumptions, it was alleged that the sale of 50,000 houses would eventually cost ratepayers £80m. The amount was based on loss of rent.

However, the only figure which bore any relation to reality was the number of houses likely to be sold. All the rest were off-beam.

In Leeds the average rent is about £250 a year before rebates, which comfortably exceeds the cost of management and maintenance of £85 yearly. But despite claims of massive losses the critics did not dispute that in the early years of the Leeds scheme sales still showed a surplus.

The GLC unrehearsed rent only covers management and maintenance (rebated rent does not) and, if current trends continue, before long rents will fall well below these costs. At the GLC at least, therefore, sales will also increase net income. The loss of rent being more than balanced by the saving on costs.

It will be a rash man indeed who assumes, as Shelter seems to have done, that sales will increase faster than costs over the next 60 years. Yet unless this assumption is made, the Shelter case falls apart.

Their figures also ignore loan charges: the cost, over 60 years, of paying back the principal borrowed to build the house in the first place and of meeting the interest on the outstanding debt. At the GLC this figure is currently £438 a year for each home and very little of it is met by ratepayers.

A change in the rules—though not now legally possible—would enable any surplus in earlier years to be used to offset continuing costs on other homes with longer unexpired terms.

Great play is always made about tax relief on mortgages. Leaving aside the technical arguments—which strike me as correct but difficult to explain simply—it is evident that most people regard this relief as a subsidy.

No house may be sold at less than cost price if a discount is offered. It follows that either the purchaser will always be paying more than the costs to the council. And, in most, if not all instances, the repayment of outstanding debt can be accelerated, or where a sale is made, the subsidy bill will always be significantly reduced. The likelihood of any market value being below cost is remote, however.

Who knows? A major sales success could unlock the funds to solve many of our pressing housing problems and lift a crippling financial millstone from around the necks of our grandchildren for the next 60 years.

## Signs of fresh hopes of hearing for the totally deaf

electrical impulses which in turn are transcribed along the auditory nerve to the brain. These nerve impulses are interpreted by the brain as sound. In most people who are totally deaf it is the cochlea which is at fault. Disorders of the middle ear which prevent sound reaching the cochlea never lead to total deafness, and disorders of the auditory nerve or brain do so only rarely.

Although the auditory nerve may degenerate after damage to the cochlea, some of it usually remains relatively intact, and thus by electrical stimulation it is possible to generate nerve impulses which travel up the auditory nerve and are interpreted by the brain as sound.

The normal cochlea behaves as though it contains a series of filters each responsive to a narrow range of frequencies, and each connected to a subset of nerve fibres within the auditory nerve. So different frequencies of sound lead to activity in different auditory nerve fibres, and it is the position or "place" of neural activity that signals the sound frequency to the brain. However, the time-pattern of nerve impulses also depends on the stimulating frequency, and at least for low frequencies changes in the time pattern of nerve impulses can be interpreted by the brain as changes in pitch. In addition, changes in the rate of nerve impulses are interpreted as changes in loudness.

In most of the work on electrical stimulation of the auditory nerve in deaf people no attempt has been made to provide "place" information. Usually a single electrode has been implanted, which stimulates the same group of nerve fibres independently of stimulating frequency. Thus different sound sensations can be produced only by changes in the rate and time pattern of nerve impulses. Although work is in progress on multiple-electrode implants, in order to convey "place" information, the technical and surgical difficulties are considerable, and the advantages, if any, of such systems over single channel implants are not likely to be known for many years.

My own work in this area has been done in collaboration with Mr. J. Douek and Mr. G. P. Clarke, of the Hearing Research Group, Guy's Hospital, and Prof. A. J. Fourcin, of the Department of Phonetics and Linguistics, University College London.

In contrast to workers in other countries who have implanted electrodes actually within the cochlea, or in the auditory nerve, we have used a surgical approach which is simple, reversible and relatively risk-free. This has been done by placing a single electrode on the round window, a membrane-covered opening in the bony wall of the cochlea which is readily accessible to the surgeon. We have found that only low stimulating frequencies (below about 500 Hz) are able to evoke sound sensations, but within this range changes in stimulating frequency are heard as changes in pitch, while changes in the intensity of stimulation are heard as changes in loudness.

We are especially concerned to match this wisp of hearing to the speech patterns which are most needed by the lip-reader. It is noteworthy that the range of frequencies heard corresponds well with the frequencies of vibration of the vocal folds during ordinary speech production. Thus by extracting the fundamental frequency from speech sounds it is possible to convey to the deaf person whether speech sounds are accompanied by vibration of the vocal folds, and what the pitch of the voice is. This will allow the deaf lip-reader to distinguish sounds (such as to-do, Sue-zoo) which are not distinguishable on the basis of lip movements alone, and in addition it will convey information about the whole structure of a sentence, the position of the stressed words and the attitude of the speaker. It will also allow the deaf speaker to adjust the pitch and loudness of his or her own voice. We are currently investigating ways of extracting features from speech sounds and presenting them via the electrode system so as to be of maximum benefit to the lip-reader. In this way the electrical stimulation can enhance the speech communication process, as well as providing a primitive link with the environment.

Although the first results of our work are highly encouraging, it is still in an experimental stage, and much remains to be done before a practical implantable stimulator for the deaf becomes generally available. Although our work is supported by the Medical Research Council, further funds will be needed for the development of electronic speech processing and stimulating systems, of suitable bio-compatible materials and for rehabilitation and training programmes. It is only by a coordinated effort between scientists with many different skills—surgeons, engineers, speech researchers, psychologists, audiologists, speech therapists, etc.—that a successful implementation of this work will be achieved. Nevertheless the future does offer hope that some form of useful hearing may be restored to many who are at present totally deaf.

Hogace Cutler  
The author is a Conservative leader of the GLC.

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# ASEAN

## Second life began with first meeting of leaders

Second, an ASEAN secretary-general has been set up under an Indonesian General Dharsono.

Third, ASEAN has begun to flex its muscles as a regional organization in its dealings with third countries. The most striking example of this is the invitation sent to the prime ministers of Japan, Australia and New Zealand to come to Kuala Lumpur to meet ASEAN heads of government after their summit this week.

Fourth, consultation at all levels between member states has become more frequent. For example, heads of government keep in touch by paying brief, informal visits to each other. In New York ASEAN delegates coordinate their policies at the United Nations. In London the publication of this Special Report was discussed at one of the regular meetings between the five ASEAN leaders.

At their summit in Kuala Lumpur the five heads of government will celebrate the tenth anniversary of ASEAN and review progress made since their first meeting nearly 18 months ago in Bangkok.

For a start, the process of tariff cutting has only just begun and will be carried out gradually, because of the reluctance of some members, notably India, to reduce tariffs. To expose their economies prematurely to outside competition. The goal of a free trade zone has receded beyond the horizon.

Second, the impression has emerged that some of the regional industrial projects were conceived for political rather than strictly economic ends and may well have to be dropped in favour of others. Rapid advance on industrial complementation is therefore unlikely in the near future.

Third, there are differences of opinion over the role of the ASEAN secretariat. Should it be merely an administrative body, like the Commonwealth Secretariat, or have some of the policy initiating and executive powers of the EEC Commission? Indonesia would like to see it strengthened. "The secretariat needs restructuring," an official in Jakarta said. "At the moment General Dharsono is seen as secretary-general of the secretariat, not of ASEAN."

However, Indonesia's partners are wary of granting authority to an organization situated on the soil of potentially the strongest nation in ASEAN and headed by a native of the country. It appears that the secretaries will have more to do in coordinating the work of the different councils of ministers but will be denied any supra-national powers.

At the moment the secretariat has only 26 members and a budget of about \$550,000 (£320,800). Under General Dharsono, who was formerly on active service in West Java, then ambassador in Thailand and Indochina, are heads of bureaux dealing with economic (Filipino), science and technology (Thai) and social and cultural affairs (Singaporean).

There are officers for foreign trade and economic relations (Malaysian), administration (Thai) and public information (Malaysian) and an assistant to the secretary-general (Indonesian). The post of secretary-general rotates in alphabetical order every two years. Heads of bureaux remain in office for three years.

Finally, there is the need to take the ideas of ASEAN beyond the conference chamber to the populace as a whole. This has been done mainly through the mass media. The Straits Times, for example, has a section entitled "Focus on ASEAN". Member states exchange radio programmes and publish an ASEAN Journal and an ASEAN News Bulletin.

However, one prominent ASEAN official said that projection of the association to the public was hampered by member governments' unnecessary secrecy over agreements reached between them.

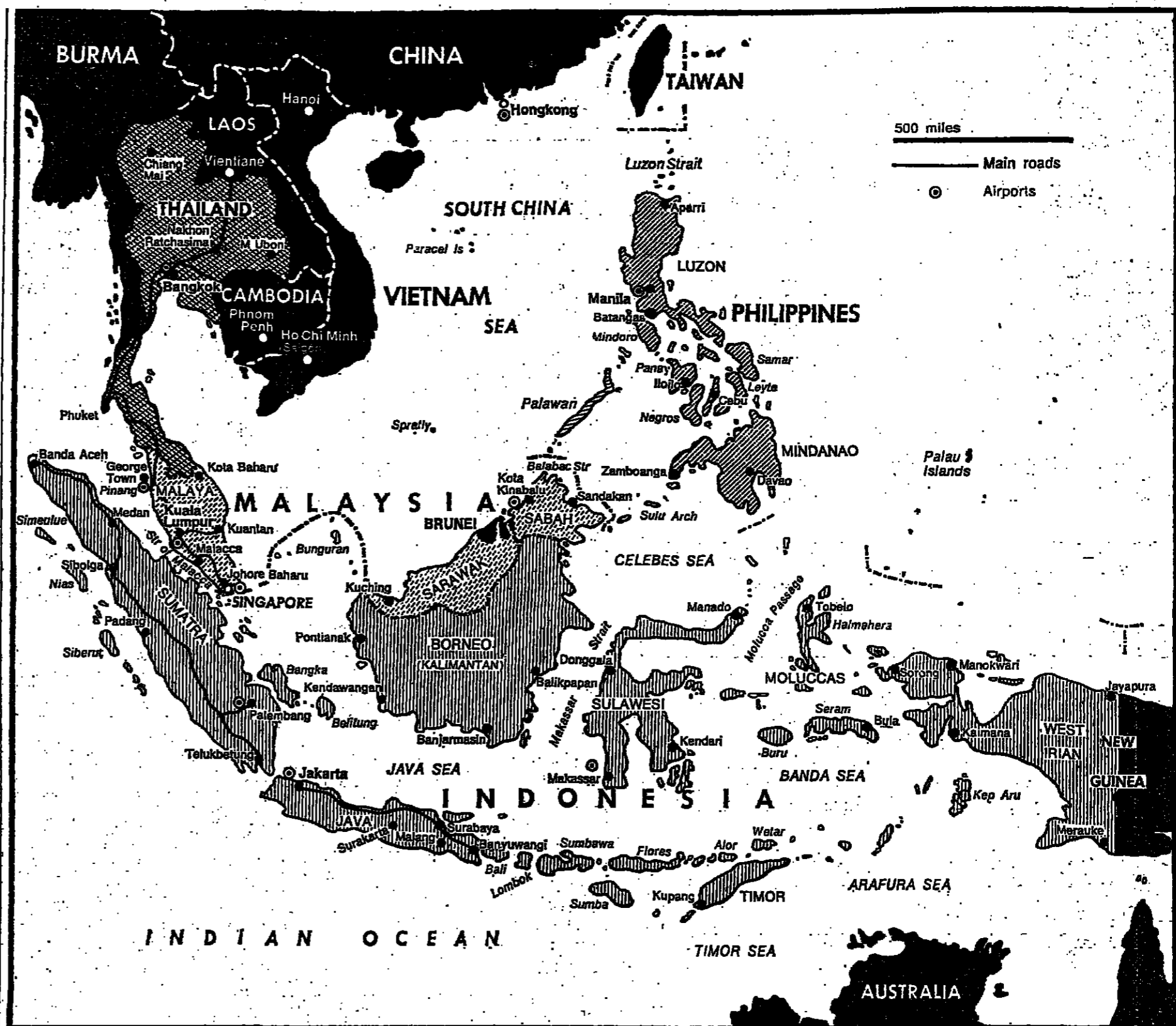
In the educational sphere, Nanyang University in Singapore is revising its course of South-east Asian studies to give it an ASEAN slant. Cultural tours from one member state to another have become more common. "Before, we knew Chinese and Indian dancers, better than ones from ASEAN," a Singaporean minister said.

The abolition of visas for short stays in one ASEAN country by citizens of another has led to an increase in tourism. Singapore now receives more visitors from Indonesia than from any other part of the world. Catching the last aircraft at night from Singapore to Jakarta, you are likely to come across secretaries returning home after a day's shopping for their companies in Singapore.

Private business has been working on industrial complementation schemes through the ASEAN members of commerce and industry. There have been exchanges of social workers and conferences of experts on population control, museum curators and heads of national libraries.

Nevertheless, social and cultural cooperation within ASEAN is still undeveloped compared with political, economic and even military activity. Ministers of labour have begun regular meetings but these have still to be instituted for ministers of health, education and social and cultural affairs.

Next Monday the Association of South East Asian Nations will celebrate its tenth anniversary. In two days' time heads of government of the five member states—Indonesia, Malaysia, the Philippines, Singapore and Thailand—meet in Kuala Lumpur to review progress since their first summit in Bali 18 months ago and to provide further impetus for regional cooperation. This Special Report looks at the development of the association to date and at the tasks facing it as it embarks on the second decade



## Uneasy relations near home

The Prime Ministers of Japan, Australia and New Zealand are scheduled to meet ASEAN heads of government after the summit this week and the association has established, or is in the process of establishing, dialogues with countries as far afield as the United States, Canada and members of the EEC. However, much nearer home, the association is still feeling its way towards an accommodation with communist Indo-China.

"The problem before us is how a 'non-Communist' ASEAN can enter into friendly and mutually beneficial relations with three communist states born out of the ruins of a civil war and a year of a terrible war," Mr. Sirinatham Rajaratnam, the Singapore Foreign Minister, told an ASEAN foreign ministers' meeting last month.

He added: "The task will be made even more difficult by the activities within our own countries of communist liberation movements which claim solidarity with, and demand support from, communist countries outside ASEAN."

Not long ago there was talk of the association being open to membership by Vietnam, Cambodia, Laos and Burma. Except possibly in the case of Burma, that is now seen as a very distant prospect. ASEAN members are concentrating with varying degrees of enthusiasm on improving relations with Indo-China on a bilateral basis.

Thailand has trouble on its borders with Cambodia, Laos and Burma and, since the military coup last October, has been subject to scathing attacks from Vietnam as a stooge of the United States. A Thai official said it was impossible for the three Indo-Chinese states to join ASEAN because their social and economic systems were different from those of present members. Thailand would like to cooperate with these countries but did not know where to start.

The most substantive diplomatic achievement by ASEAN countries in their dealings with Indo-China was the visit to Hanoi and Vietnam last May by Tunji Ahmad Richardson, the Malaysian Foreign Minister. He was well received in both capitals and the Vietnamese requested technical help on rubber, palm oil, postal services, telecommunications and transportation. However, he told the ASEAN foreign ministers' meeting last month that Indo-China was not yet prepared to enter

into any kind of relationship with ASEAN on a regional basis.

Singapore and Indonesia remain sceptical of Vietnamese intentions towards the association. Hanoi's relations with the Philippines, by contrast, are surprisingly good considering that the latter sent troops to Vietnam and is the only ASEAN country with United States bases on its soil. A Filipino television team went to Vietnam last November and this year a trade delegation and a government mission have been to Hanoi.

With Japan, Australia, New Zealand, the EEC, United States and Canada ASEAN is dealing as a regional organization. The absence of a strong central secretariat makes it difficult for third countries to treat with the association as a whole but this problem has been partially solved by appointing one member as interlocutor—Indonesia for Japan, Malaysia for Australia, Singapore for New Zealand, and the Philippines for the United States and Canada. Links with the EEC are both through ASEAN ambassadors in Brussels and through Indonesia. ASEAN's trading partners are not prepared to remain merely suppliers of raw materials to Japan and are urging Tokyo to allow greater access for their manufactured goods. They have also asked for the elimination of import quotas on timber, palm oil and canned pineapple.

Japan is being pressed for concessional financing and technical assistance for the five regional industrial projects. President Marcos and Mr. Lee Kuan Yew have asked Tokyo to set aside 0.025 per cent of gnp—\$138.7m (£80.6m) in 1976—for these schemes, but it is continued on page VI

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## Limited scope for trading among the member nations

Share of trade within ASEAN to total ASEAN trade (\$m)

	Trade within ASEAN	Total ASEAN trade	Share of trade within ASEAN to total ASEAN trade (%)
1970	2,087.1	13,470.2	15.49
1971	2,230.8	14,576.4	15.30
1972	2,545.0	17,238.5	14.77
1973	3,922.7	27,541.1	14.23
1974	5,718.6	43,570.2	13.12
1975	5,840.9	44,680.4	12.63

Source: IMF Direction of Trade Annual, 1969-1975.

Establishing a common market is likely to prove a considerably more difficult exercise for ASEAN than it was for the EEC, and it may well take a good deal longer.

One fundamental problem is the competing, rather than complementary, nature of the five ASEAN economies; another is the continuing need of some of these economies for tariff protection.

Ten years after its formation ASEAN is neither an EEC-style common market, in the sense of having a common external tariff, nor a free-trade area like the European Free Trade Association.

In the economic sphere, ASEAN is still a fairly loose-knit block feeling its way slowly but surely towards economic cooperation through a number of instruments including bilateral and multilateral tariff agreements, mutual industrialization projects, government purchasing agreements and currency-swap arrangements.

According to a recent official estimate, ASEAN produces 80 per cent of the world's natural rubber, 40 per cent of its tin, 50 per cent of its coconut supply, 80 per cent of its abaca fibres, 60 per cent of its palm oil and 12 per cent of its rice.

Malaysia is the world's biggest producer of natural rubber and the second biggest producer of tin. Three of the other ASEAN states, Indonesia, Thailand and the Philippines, are also major commodity producers.

Herein lies one of ASEAN's problems: its members are rich in the same commodities and have a limited scope for intra-ASEAN trading in these materials, however favourable the trading arrangements.

Mr Lee Kuan Yew, the Singapore Prime Minister, noted in a speech to the ASEAN economic ministers' meeting in Singapore in

June that trade within ASEAN as a percentage of total ASEAN trade with the world had dropped from 15 per cent in 1970 to 12.6 per cent in 1975. Much of this takes the form of re-exports.

Powerful economic factors have caused this, he said. ASEAN has been a traditional supplier of primary commodities and processed products to the rest of the world. Because of similar resources and levels of development, member countries have not been able to achieve a greater exchange of goods among themselves. We can, and must, make trade between ASEAN countries grow as fast as ASEAN trade with the rest of the world.

He urged the member states to concentrate on building up indigenous manufacturing and processing, with a view to import substitution and increased intra-ASEAN trade.

Although Singapore has a fairly strong industrial base, with manufacturing contributing 15 per cent of its gross domestic product last year, it is the exception in ASEAN. Capital goods manufacturing, essential for the development of the ASEAN economies, is particularly lacking.

One way of overcoming this lack of industrial capacity and capability, as ASEAN heads of state see it, is to build up key basic industries on an ASEAN-wide basis. Each of the five countries is to be designated by mutual agreement as producer of an agreed product with each member country participating in the equity capital structure of these projects.

Significantly, much of the equity will be reserved for the private sector—foreign as well as domestic interests—as ASEAN governments realize they have only limited funds available. Foreign capital also remains an essential prerequisite for ASEAN's industrialization process.

For these ASEAN industrial projects to succeed, they must be assured of either tariff-free access or, at least, access on favourable terms vis-à-vis imports, to the markets of all five members. The mechanism for introducing such preferences already exists in the form of the preferential trading arrangements agreed to at the Bali summit in February, 1976, and elaborated upon at Manila in February this year.

Products at present imported in substantial quantities from non-ASEAN countries, and within the industrial capacity of ASEAN countries, can be studied for manufacture within ASEAN, and included in an extension of the preferential trading arrangements," Mr Lee said recently. The economic ministers resolved in June to make such a study.

The ministers also exchanged trade concessions under an agreement on preferential trading arrangements for 71 products. Of these, 21 have been secured under the so-called matrix approach, on a request and response basis, and the remainder are in the form of "luxury offers" by preference—10 each by the five ASEAN states.

This typifies ASEAN's attitude to tariff reductions, rather than a blanket approach to tariff abolition or reduction, members seek spontaneous and specific concessions from each other, usually through the forum of a permanent committee on trade but subject to approval by the economic ministers.

Thus, for example, Thailand may seek preferential admission for one of its key exports to the markets of its ASEAN neighbours. All, or some, of those neighbouring states may offer such preferences, sometimes by the concessions offered by one state are not binding upon the others.

Likewise, when one ASEAN state offers tariff concessions on the import of a particular commodity or product from ASEAN, its neighbour states are not bound to make similar concessions. All are, however, expected to offer their fair share of concessions to each other.

The products upon which trade preferences have been offered so far include some engineering goods, ball bearings, garments, foods, cattle, commodities, instruments, raw materials and certain manufactures. Tariff rates on these products vary widely from country to country. The agreed margin of preference will range from 10 per cent

to 30 per cent, according to product.

ASEAN is, however, a long way from even contemplating a generalized free trade area. Trade preferences agreed so far affect only around 3 per cent of total intra-ASEAN trade. The idea of a free-trade area within ASEAN is "taboo", Mr Lee told a visiting delegation of West German industrialists in April. "It is out of the question. We don't talk about it," he said.

The reason for this is the need of various ASEAN countries to nurture their infant industries behind tariff barriers. Indonesia is particularly sensitive in this respect. It is feared that tariff-free access to one another's markets could bring about, for example, a flood of textile imports.

Similarly, the idea of an EEC-style common external tariff remains one of the questions until members have reached a comparable degree of industrial development, where they can contemplate coordination of this sort of access to their markets.

Economic cooperation within ASEAN does not stop at trade preferences and tariff reductions. There are moves to break down non-tariff barriers such as quota restrictions and different technical and other standards.

Under the preferential trading agreement, signed in Manila in February by the foreign ministers, the ASEAN countries also agreed to expand trade among themselves through long-term quantity contracts, purchase financial support at preferential interest rates and preferential procurement by government bodies.

A typical long-term purchase agreement might be, for example, for the purchase of rice from Thailand by other ASEAN states. Although there is no ASEAN-wide rice supply agreement, recognizing that ASEAN has assured supplies of the commodity on favourable terms through long-term agreements with Thailand.

Another important area of economic cooperation is in oil. Under an agreement reached earlier this year by the ASEAN Council on Petroleum (ASCOP), the Philippines, Singapore and Thailand will be able to buy all the net exportable oil surplus of Malaysia and Indonesia, if required, in time of shortage.

ASEAN central banks and monetary authorities have recently agreed to participate in a \$100m swap arrangement "to help to bridge temporary international liquidity problems of ASEAN countries". These transactions will be carried out in local currencies, although related to the dollar and the total amount available will be increased if demand requires it, according to economic officials.

In their joint communiqué at the end of the June meeting in Singapore, the ASEAN economic ministers said: "recognizing that an ASEAN trade fair could be effective supportive measures for the expansion of ASEAN trade, the economic ministers agreed to hold the first ASEAN trade fair in Manila in April-May, 1978."

The communiqué also said: "a shipping and an integral part of trade cooperation, the economic ministers decided to organize an ad hoc working group on shipping... to devise measures to resolve problems in shipping."

These problems include the concern which ASEAN governments and shippers feel over the degree of foreign domination of South-east Asian shipping and the fact that freight rates are largely outside ASEAN control.

The ministers also agreed upon an "action programme for immediate implementation of the various segments of the ASEAN submarine cable system" and the establishment of a working group to study the use of satellites for regional and domestic communications.

ASEAN has set up a committee on food, agriculture and forestry to "study the supply and demand for food and other strategic agricultural products". It will also look at regional plant crop protection, fisheries resource management, forestry resource conservation, animal feed supply and the distribution of agricultural buffer stocks.

Although ASEAN is 10 years old the pace of cooperation among its members has accelerated sharply since the Bali summit last year. New initiatives towards economic cooperation among the five are now being taken at an increasingly rapid rate.

**Anthony Rowley**  
Singapore correspondent,  
Far Eastern Economic Review

## Delicate decisions in industrial revolution

ASEAN needs an industrial revolution to lessen its heavy economic dependence upon commodity production. As neither indigenous private enterprise nor foreign multinational investment is likely to foster such a revolution spontaneously, it must be encouraged at the joint initiative of the five member states.

This is the thinking which guided ASEAN economic ministers when, shortly after the Bali summit in February, 1976, they decided to recommend detailed studies of five major industrial projects—one for each member country.

Today, almost 18 months after that decision was taken, the projects are still a long way from being implemented and there are doubts over whether some of them will get off the ground at all.

If the choice of the five projects—diesel engines for Singapore, urea manufacture for Malaysia and Indonesia, soda ash for Thailand and superphosphates for the Philippines—was infelicitous in some cases and their cost underestimated, the concept of bureaucratically inspired industrialization is far from dead.

ASEAN has already begun feasibility studies on a whole new range of possible industrial projects which may prove to be additions, or even alternatives, to the original five.

The decision to look at a second tier of industrial projects was taken at the third meeting of the ASEAN economic ministers in Manila last January after it had become clear not only that the original five projects were going to be rather more costly than originally envisaged but also that they might in some cases overlap, if not duplicate, existing manufactures within ASEAN.

This is a sensitive issue, for the manufacture of heavy duty rubber, tyre, metalworking machine tools, newspaper, electrolytic tin plating, fisheries and potash.

In another significant sentence in their Singapore communiqué, the economic ministers "agreed to focus future trade negotiations on the exchange of trade preferences on products with good import substitution in ASEAN".

The question of import substitution was highlighted by Mr Lee Kuan Yew, the Singapore Prime Minister, in his opening address to the economic ministers when he urged them to "focus their efforts in this area".

Of the \$23,840m worth of goods imported by ASEAN in 1975, less than \$2,470m

other matters, before the Prime Minister's expected meeting with ASEAN leaders immediately after their summit in Kuala Lumpur.

It is envisaged that 60 per cent of the equity of each ASEAN project should be held in the particular host country concerned while the remaining 40 per cent would be held 10 per cent each.

However, two thirds of the total equity in each project would be available for subscription by the private sector. Apparently any interest in the private sector—even foreign interests—would be free to apply for equity in each country's project, according to Singapore sources.

Meanwhile, the economic ministers' communiqué issued in Singapore also noted that: "The collection of statistical information and pre-feasibility studies (are) also being undertaken with a view to identifying other possible ASEAN industrial projects."

Though not specified in that communiqué, these are believed to include the manufacture of television tubes, heavy duty rubber, tyre, metalworking machine tools, newspaper, electrolytic tin plating, fisheries and potash.

In many cases these would be less costly projects than the five originally envisaged and might be based upon existing manufacturing capacity within ASEAN as well as on greenfield site ventures. Officials emphasize that these should be seen as additions, rather than alternatives, to the first-tier projects although it seems likely that some of the more recently studied projects will get off the ground ahead of the original ones.

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army on manoeuvres. Thai and Malaysian troops are conducting joint operations against communist guerrillas.

## Increasing cooperation on defence

on defence is to which ASEAN is as little attention as possible, for organizing the world. In recent years they have indicated that they would mention of such

less, it would be not to try to no questions on the of the region which seem to the outside. Will the domino effect and all South-Asian states. Are the ASEAN forming a defence revenue this happen-

e Declaration of Concord signed in last year it was as "member states, ally and collectively, active steps for establishment of peace, freedom, unity." However, it is clear how this achieved. In Vietnam, which has forces of 615,000, 40,000-strong armed force, an armed force of about 1,500,000

men, and an impressive array of weapons including \$5,000m (£2,907m) worth of American arms captured in 1975. So who is to ensure that the association is not subject to external aggression?

Although the American-inspired South-East Asia Treaty Organization (Seato) has recently been disbanded, the Manila Pact, which brought it into being and of which Thailand and the Philippines are signatories, remains in force. In addition, the Philippines has a bilateral defence agreement with the United States, which it is now renegotiating.

Malaysia and Singapore have defence links with Britain, Australia and New Zealand under the five-power agreement. The participants operate an integrated air defence scheme from Butterworth in Malaysia. New Zealand has an infantry battalion and air force squadron in Singapore and Australia has air force squadrons in Singapore and Butterworth.

With one exception, ASEAN members speak of their zone of peace, freedom and neutrality being guaranteed by the United States, the Soviet Union, China and Japan but they are extremely vague on how they will persuade the big powers to agree on this. For the time being they are obviously hoping that American support will deter communist aggression, although they are still uncertain of the extent of President Carter's commitment to the region.

The odd man out is Indonesia, which has the largest armed forces (246,000 men) in ASEAN and is chary of letting the big powers into the region as guarantors of peace. It prefers the more autonomous concept of regional resilience.

At the moment, internal subversion rather than external aggression is the main preoccupation of ASEAN. Members believe that Hanoi has its hands full in building up the country after 20 years of war and note that its support for liberation movements within the region has been muted.

In such a situation, formation of a defence pact would incur communist hostility without providing adequate protection for its signatories. A combination of economic progress through regional cooperation and discreet bilateral agreements on security matters offers a better chance of stability.

Some observers see co-operation on security as ASEAN members' greatest achievement to date. The three joint operations against communist guerrillas by Thailand and Malaysia are the most obvious example of this but there are many others of a less spectacular nature.

For instance, security chiefs of the five countries visit each other regularly to exchange intelligence and views on combating insurgency. The Philippines provides training locations for Singaporean troops and has undertaken joint piracy patrols with Indonesia. Malaysia and Indonesia have held naval and air exercises and are expected to carry out land exercises in Borneo. Both countries have expressed an interest in standardizing arms.

For the foreseeable future,

it is likely that ASEAN members will continue on the one hand to insist that they are not a military grouping and on the other to develop new instruments of defence cooperation. These may well take the form of military exercises involving more than two countries and the emergence of an arms standardization programme.

Mr Sunthorn Hongladarom, the last secretary-general of Seato, thinks it would have been better if his organization could have continued for a few years longer in parallel with ASEAN until the latter had had time to build up its strength.

While this view is probably shared by the present regime in Thailand, the country on the front line with communist Indo-China, the association as a whole believes that in the present climate it can afford to dispense with military support from outside as it gradually strengthens its ability to cooperate effectively on defence.

Simon Scott Plummer

For the foreseeable future,

## New unity against guerrillas

For the past four weeks the Thai and Malaysian armed forces have been engaged in their third joint sweep this year against communist terrorists in the jungles of southern Thailand. Involving 10,000 men, it is the biggest military operation in South-east Asia since the Vietnam war.

A year ago cooperation on such a scale would have seemed impossible. In June 1976 Mr Seni Pramoj, then Thai Prime Minister, ordered Malaysian Police Field Force troops stationed in Thailand to withdraw and the 1970 border agreement between the two sides all but fell into disuse.

However, the military coup d'état in Bangkok last October brought a strongly anti-communist government to power. On January 14 Thailand and Malaysia launched their first combined operation, code-named Daoyai Musnah (Big Star) 1, and involving about 3,000 men, in the Sadao district at the western end of their common border.

Malaysian police troops were once again operating deep into Thai territory and this time infantry battalions were there as well.

On March 4 foreign ministers of the two sides signed a revised agreement on military cooperation. This set up general and regional border committees and empowered security forces of each side to cross into the territory of the other during combined, coordinated and unilateral operations against the communists.

Ten days later Daoyai Musnah II began, again in the Sadao area, this time involving about 5,000 troops. The latest operations, code-named Chahapa Bena (Sacred Ray) I and II, began early last month and struck at the two other communist strongholds in southern Thailand: the Betong salient, which just down into Malaysia in the central border area, and Weog district in the east.

According to Major-General Daruk Mahmood Sultan, the commanding officer in peninsular Malaysia, 45 guerrillas were killed, 36 were wounded and 26 communist camps were destroyed during the first two operations. Enemy casualties after two weeks of Chahapa Bena were given as 10 killed and 25 injured.

Most losses on the government side are caused by explosive coated in plastic and therefore untraceable by

conventional mine detectors. Until new methods of detection are introduced the alternatives facing the infantrymen are either to move forward on hands and knees until one of the booby traps goes off or to retreat.

Crawling through the jungle demands what can only be described as an appropriate for danger, a close observer of these operations has written. "Canvas jungle boots squelching in the mud and rotting mulch of a millennium, leeches that drop from branches overhead, half-buried broken branches like so many spikes, to rear through clothes and flesh, and visibility often reduced to half a dozen feet because of the matted vines and creepers which offer sanctuary to the enemy, are just some of the hazards."

The number of communist casualties may seem paltry for three months of campaigning by thousands of infantrymen supported by artillery, jet fighters and helicopter gunships. However, Thai and Malaysian generals see more store in the demoralizing effect of the local population from whom the communists collect money, to cooperate with government forces.

According to the Malaysians there are about 2,500 armed combatants on the guerrillas' side. They belong to three factions of the Communist Party of Malaysia (CPM), which aims to unite peninsular Malaysia and Singapore under its rule.

When the first emergency ended in 1960 British and Malaysian security forces had driven the communist guerrillas across the border into southern Thailand. In 1968 the CPM launched an armed struggle for the "liberation" of the peninsula. Small bands of terrorists were sent into Malaysia from sanctuaries in Thailand to carry out bombings and assassinations of special branch officers.

Security forces estimate that about 350 guerrillas have infiltrated south, where they are supported by underground movements with an active membership of about 2,000.

In 1970 the communists' 8th regiment split from the main body to form the Com-

munist Party of Malaysia (Revolutionary Faction). Four years later the 2nd district of the 12th regiment broke away to form the Communist Party of Malaysia (Marxist-Leninist).

The disposition of these groups along the border is as follows. The CPM(RF), with about 300 armed combatants, occupies the western flank in Songkhla province. The CPM(ML), with 1,000 men, is situated mainly in the western sector of the Betong salient. Troops of the CPM proper are divided between a special district force sandwiched between the two breakaway groups, the rump of the 12th regiment in the Betong salient and the 10th regiment to the east in Narathiwat province, in all about 1,300 men.

To complicate matters further, there are Malay-speaking Thai separatists in the east, who, Malaysia and Thailand have so far agreed, are the concern of the Thais alone and should not be the target of combined operations.

Security chiefs in Kuala Lumpur, already confident that they have been on top of internal subversion since last year, have been further encouraged by the drop in terrorist violence within Malaysia since the joint sweeps began. However, they are doubtful of the Thais' ability to contain the trouble at its source until the southern provinces are secure, it will be impossible to launch the civil development programmes needed to win the population to the government side.

For the Malaysians the border with Thailand contains the main threat to national security. They have been the prime movers in instigating the combined operations and have provided most of the troops and materiel.

For the Thais the southern frontier is merely one, and not the most important, source of concern. To the north-east and east they face Laos and Cambodia and behind them, Vietnam. The Communist Party of Thailand (CPT) receives its main external support from Laos.

Cambodia provides training facilities and is alleged to have planned mining in Thai territory. In January this year more than 30 Thais were killed by Cambodians on the Thai side of the border and recently troops of the two sides

have clashed over a disputed village. The CPT is also active in the mid-south. Queen Sirikit's personal secretary was killed early this year in Surat Thani province when a helicopter in which she was travelling was brought down by terrorist fire.

On top of this the Government in Bangkok has to cope with dissident hill tribesmen in the north and, in the west, attacks by the Burmese on Karen insurgents sheltering in Thai territory.

The importance attached by the Thais to the Malaysian border can be gauged by the fact that the army stationed in the south is by far the smallest of Thailand's four armies. It is also at the end of the line as far as supplies are concerned.

As well as differing in their assessment of the situation on their common border, Thailand and Malaysia have distinct operational doctrines. The Thais follow the American pattern of wielding a sledgehammer (artillery, air strikes, gunships and armoured vehicles) to crack a nut. The Malaysians, brought up in the British tradition, prefer to have small groups of men moving quietly through the jungle on foot.

Communication between the two sides is hampered by differences in language, not at headquarters, where there are liaison officers or men from either side who speak English, but in the field at the level of platoon commanders and below.

One of the most interesting things to emerge over the past few months has been evidence of collusion between the CPM and the CPT. Documents in Thai are said to have been found during operations around Sadao and villagers have reported that many of the CPM guerrillas driven out of that area have joined up with CPT units to the north. This trend could well be strengthened as the proportion of CPM members of Thai origin grows, and pressure on the border sanctuaries continues.

The Malaysians obviously hope that such a possibility will persuade the Thais to devote more attention to their southern provinces. However, they are already pleased with signs of increased commitment on the part of those whom they have so far regarded as very much the junior partner in the joint operations.

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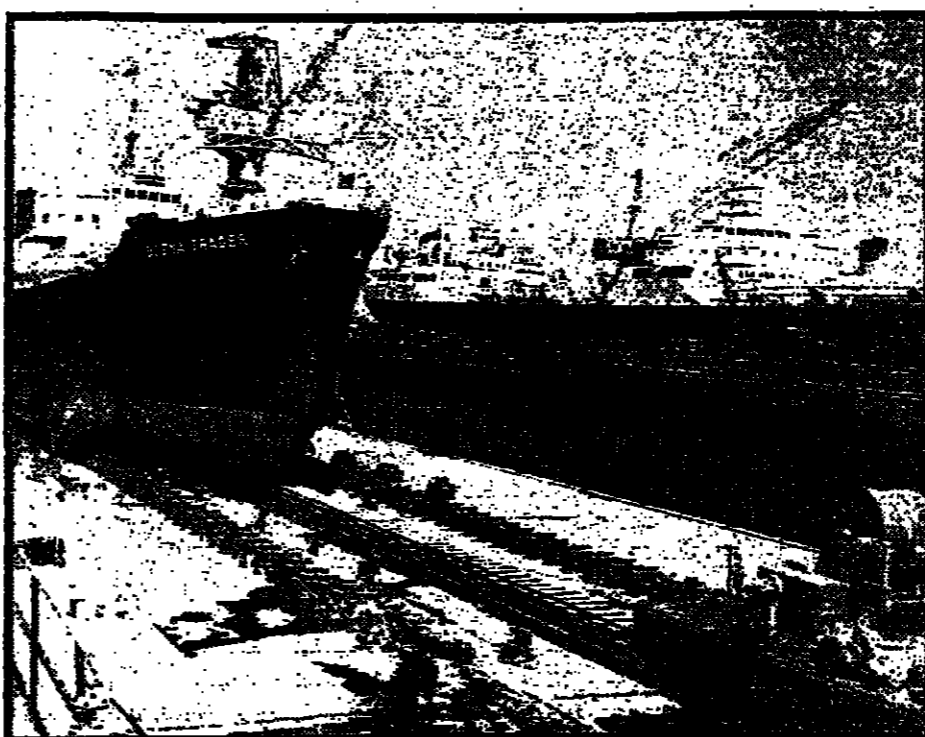
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## Shippers' concern over state of merchant fleets



The Jurong drydock in Singapore, which can handle tankers of up to 200,000 tons.

There is special concern over the state of indigenous shipping in ASEAN countries today. Ironically, the main group pressing for government support in the upgrading of local fleets' efficiency and competitiveness is not the body of ASEAN shipowners itself, but ASEAN shippers.

This is partly because increased industrialization and a new orientation towards non-domestic markets have resulted in a steadily growing supply of products for export, within ASEAN countries but especially to other regions.

The main catalyst in this present surge of attention to indigenous ASEAN shipping services, however, is the increasingly high freight rates charged by shipping conferences, notably the Western-dominated Far Eastern Freight Conference (FEFC).

The FEFC carries most of the trade between Europe and the Far East—the bulk of which takes the form of rubber, timber and plywood—and since a substantial volume of ASEAN products are bound for European markets, most ASEAN shippers have little choice but to use FEFC lines. Non-conference lines plying the same trade are largely inefficient and irregular, and too often misplace cargo.

Unofficially it is estimated that FEFC lines handle about 80 per cent of all trade between the Far East and Europe. Cargo carried to Europe from Singapore, Malaysia, the Philippines, Japan, Hongkong, Taiwan and South Korea amounts to 3,500,000 metric freight tons a year, of which about a fifth comes from the first three. FEFC does not disclose the revenue from its Far East-Europe trade and will say only that Singapore, Malaysia and the Philippines account for about 13 per cent of total revenue.

The latest general rate increase of 12.5 per cent, implemented by the FEFC on July 1, has put the spurs into ASEAN shippers. At its first annual meeting in June, the Federation of ASEAN Shippers' Councils (FASC) drew up a resolution for presentation to the various ASEAN governments.

The resolution asked for assistance against what it called the "contract system of closed shipping conferences", and was signed by the shippers' councils of Indonesia, Malaysia, the Philippines and Singapore, and by the Board of Trade of Thailand.

The decision of the ASEAN economic ministers at their June conference in Singapore to set up an ad hoc working committee to consider shipping problems resulted in no small way from the presentation of the FASC resolution to the ministers.

The development of such an ad hoc committee will be invaluable if it can forge any general improvements in ASEAN shipping. But the difficulties that the committee will face are tremendous, not the least of which would be a lack of effective long-range vision.

Mr Hon Sui Sen, Singapore's Finance Minister, suggested that certain categories of goods which faced problems in shipment could seek a solution in aggregating goods and getting cheaper rates for shipment from non-conference lines.

Non-conference lines already charge rates of up to 10 per cent less than FEFC and other conference rates. The real problem is the lack of regular non-conference lines.

Another short-term solution, suggested by FASC, was to contain the domination of indigenous shipping in the conferences like the FEFC, is

revitalizing the use of freight booking centres set up by shippers' councils in the respective ASEAN countries. These centres centralize information on non-conference lines.

However, even if the freight booking centres of all the ASEAN countries are administratively and operationally successful, they still have no real means of controlling the availability of efficient non-conference operators.

The most sensible recommendation that the resolution makes is for the acceleration of indigenous ASEAN shipping expansion and modernization through government incentives and encouragement.

Where the shippers' councils of South-east Asia used to rely on nationalist historians to galvanize support for their cause, they now show a far more advanced appreciation of the problems and awareness of the methods needed to solve them.

ASEAN shippers are beginning to realize that the FEFC, as a commercial concern, has no cause to consider their particular difficulties. The only effective and economically practical strategy against such conferences would be the build-up of a viable alternative to their shipping services.

The ASEAN economic ministers' ad hoc committee on shipping should concentrate on trying to help local shipowners to consolidate their fleets.

This can be done by providing special credit schemes to local shipowners, encouraging them to make fleet replacements, and possibly through amalgamating tiny concerns into larger, more economically feasible units.

In the long run, this is the only development that can modify or rebuild the structure of freight costs and shipping in the ASEAN countries, Western-dominated as they are.

There was some talk before of creating an ASEAN shipping conference. But such a move would be jumping the gun. It is inconceivable without adequate local lines, and it is unfair to expect the national lines to carry such a project through at the present stage.

The only large and sufficiently efficient lines to venture successfully into international shipping, on the whole, are the national lines. Perhaps the two best known are Singapore's Neptune Orient Lines (NOL) and Malaysia's Malaysian International Shipping Corporation (MISC). Both are members of the FEFC, among other conferences.

This is because national lines are expected to be profitable. Mr Goh Chok Tong, NOL's managing director, has always emphasized that national lines should not be subsidized.

Unless it is subsidized, there is no way that a national line can be competitive without being a conference member. Because capital costs are so high (the FEFC has almost made a complete switch to expensive container ships), it would be nearly impossible even for five national lines to provide enough ships to approach let alone equal the FEFC's frequency and quality of service.

This is without even considering the level of skill, administrative and operational, required from lines which have no traditional knowledge of the business. The FEFC has 29 member Korean vessels.

A recession may not be the best time to expect an enthusiastic response from local shipowners to government endorsements to expand. But it is a good time to work at consolidating resources and to rework traditional family-type arrangements into more progressive corporate organizations.

Any initial government effort to stimulate the state of indigenous shipping in the ASEAN region is necessarily

restricted to within the confines of intra-regional shipping.

To this end, the Indonesian and Filipino coastal shipping programmes, where massive new building contracts have been given to Norwegian and other European shipbuilders, are important first steps.

But incentives should be built in to encourage the eventual graduation of intra-regional lines into national shipping. National lines, meanwhile, should continue to work within conferences.

Grouping together as an informal ASEAN committee within these conferences, they can be effectively vigilant on behalf of ASEAN shippers.

In the long run, the various ASEAN national lines and the privately owned ASEAN lines may come together to form what must be every ASEAN shipper's dream, an ASEAN-based shipping conference for the Far East-Europe trade at least.

Teresa Lim

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The final section of this Special Report examines the attitude of each member towards the association. The statistics (in \$US) are from the World Bank Atlas (1976)

## Thailand

Area: 198,270 sq miles  
Population: 41,870,000  
Gnp: \$14,540m  
Gnp per capita: \$350



Mr. Kravitz, Minister



Dr. Upadit Pachariyangkum, Foreign Minister

Thailand's partners, growing faster than Thailand has had free trade changes of the life-SEAN. The latest political pendulum, the armed forces, has aroused things among the countries. One hand a military government provides stability in what the buffer states themselves and to China. An Indo-China said there many political parties before the that liberal arms unsuitable for Asia. On the other hand, the other four in about the com- the Tannu Kra- government and cop- the factionalism armed forces. ally, they partly the strong anti- line now emanate Bangkok and partly it may unces- sate Vietnam, with are trying to find a vendi. Normaliza- tion with Hanoi the pivots of Thai- policy before the an agreement to ambassadors was t. August. It has implemented. Thailand appears too much eu- domestic difficul- ay a leading role. Nevertheless, the of the association ty in its interests; cooperation deve- ng the five, the will be for Viet- late the front-line exporter of rice, rubber, Thailand domestic surplus of sales to them last, uted for 17 per cent of imports, tence to assure ba- sic commodities members in time Thailand is obvi- arded as the guar- rice supplies, just esia is of oil. Thai- de with Japan, the ates and the EEC is

When planning staff at the Indonesian Foreign Office examine some new policy proposals, the first question asked is: what effect is it likely to have on ASEAN?

To a degree that would have seemed remarkable only a few years ago, Indonesia is seeking to mesh its policies with those of its four ASEAN partners; those nations are pursuing a similar goal.

The result is that after a rather long gestation period, ASEAN is beginning to make its way in the world. In the 18 months since the ASEAN heads of state summit meeting in Bali, the association has shown that it is well on the way to becoming a viable regional grouping, both economically and politically.

Increasingly, as the recent ASEAN-EEC meeting demonstrated, the world is beginning to realize that on all major trade and economic matters, ASEAN speaks with one voice.

For Indonesia, ASEAN represents a vehicle for the achievement of regional stability. Jakarta hopes to see a situation in which national resilience develops satisfactorily in each member state and expands until there is an interlocking web of regional resilience.

To a large extent this new ASEAN-mindedness is the result of the changes that have come over the political face of South-east Asia since the fall of Saigon two and a half years ago.

ASEAN did not really take off for six months after Vietnam fell because the ASEAN countries did not know what the attitude of Vietnam would be, a senior ASEAN official in Jakarta said. "At first, ASEAN leaders were making all sorts of noises about Vietnam joining ASEAN. In various degrees they were talking over themselves to invite Vietnam to join."

Once it became apparent that the Indo-China states were not responding to these initiatives and that they were in fact still deeply suspicious of ASEAN, the five member states tended to draw more closely together, uniting in the face of what was in-

## Indonesia

Area: 735,268 sq miles  
Population: 131,610,000  
Gnp: \$24,180m  
Gnp per capita: \$180



President Suharto



Mr. Adam Malik, Foreign Minister

creasingly seen as a potentially hostile and disruptive grouping of communist states.

The first ASEAN summit, held in February last year, was an obvious manifestation of this perceived need for greater ASEAN solidarity.

Unfortunately, Hanoi tended to look on the summit as a meeting at which the non-communist ASEAN states were ganging up against Vietnamese interests.

On the eve of the summit, the Hanoi army daily *Nhan Dan* issued out at ASEAN, saying it was an organization "to rally all pro-American reactionary forces to oppose the revolutionary movement in South-east Asia". It singled out Indonesia as "the regional policeman of the United States" and con-

demned its "armed invasion" of East Timor.

A little over four months later, Hanoi did an about-turn on ASEAN. In a major policy statement on July 5, Mr Nguyen Duy Trinh, the Foreign Minister, held out the olive branch to the ASEAN countries and indicated that the situation was more favourable than ever before.

Indonesia, like the other ASEAN states, remained wary. Although Jakarta has accepted the reality of a communist-dominated Indo-China and seeks to cooperate with the new governments there, particularly in Vietnam, officials are cautious about the intentions of those governments.

Indonesia welcomes contacts between the Indo-China governments and the ASEAN governments and is conscious of the importance of avoiding a confrontation between the communist and non-communist states in the region.

It considers that the non-communist South-east Asian states should seek to develop relations with Indo-China from a strong base. At the same time, it feels, each ASEAN government should enhance its own national resilience in order to withstand any communist-inspired subversion.

As the second ASEAN summit approaches, deadlock has developed in relations between the two parts of South-east Asia. Fear of Vietnamese support for local insurgents has diminished but there are still many who remain sceptical about Hanoi's long-term intentions.

A degree of polarization has already occurred between Indo-China on the one hand and ASEAN on the other. Given the reservoirs of distrust on both sides of the ideological curtain in South-east Asia, this trend is likely to continue.

However, Indonesia, like its fellow ASEAN members, is hoping that distrust and suspicion can be contained and bridges built between the northern and southern areas of South-east Asia.

David Jenkins  
Jakarta correspondent  
*Far Eastern Economic Review*

## Malaysia

Area: 127,672 sq miles  
Population: 12,030,000  
Gnp: \$8,690m  
Gnp per capita: \$720



Datuk Hussein Onn, Prime Minister



Tunku Ahmad Rithauddeen, Foreign Minister

Malaysia is conducting a determined, and largely successful, campaign against communist subversion at home but prefers a moderate, non-aligned stance in its dealings with the outside world.

Creation of a zone of peace, freedom and neutrality in Southeast Asia is a cardinal point of foreign policy and it was largely on Malaysian insistence that this concept was included in the Declaration of ASEAN Concord at the Bali summit last year. The other four countries are doubtful about the value of publicly committing themselves at this stage to such a goal.

Asked how this zone was

to be created, a government official in Kuala Lumpur said ASEAN countries should first develop self-resilience, setting their own house in order and cementing relationships between themselves. The treaty of amity and cooperation signed by the five heads of government in Bali was part of this process.

After that, members of the association would welcome signs that the big powers were prepared to guarantee a zone of peace, freedom and neutrality. He did not elaborate on the chances of their being persuaded to do so.

Malaysia sees itself as a moderating influence in

international affairs. Thus it defended Thailand from attacks by Vietnam and Laos at a meeting of the non-aligned group in Delhi and put Manila's viewpoint on the Muslim separatist movement in southern Philippines at the Islamic Conference in Tripoli.

After his visit to Vietnam and Laos last May, Tunku Ahmad Rithauddeen, the Foreign Minister, was able to assure his ASEAN colleagues that those two countries wanted close relations on a bilateral basis with the rest of South-east Asia. Through the development of such relations could maximize cooperation on common points and minimize points of misunderstanding, doubts and suspicion, he told an ASEAN foreign ministers' meeting in Singapore last month.

Within the association Kuala Lumpur seems to attach more importance to pushing through its *bumiputra* (Malay indigenization) policy than to regional co-operation. However, it has been to the fore in criticizing industrial protectionism in Australia, for which country it serves as ASEAN interlocutor, and has taken retaliatory measures against Australian exports.

Malaysia wants the ASEAN secretariat in Jakarta to remain small but would welcome the appointment of technical experts on a longer term basis than the secretary-general and heads of bureaux, who hold office for two and three years respectively. The secretariat should coordinate ministerial meetings and monitor the implementation of agreements. There was no question of its having a role similar to that of the European Commission.

About a quarter of Malaysian trade is with other ASEAN countries but membership of the association has made little difference to the overall pattern of exports and imports. Kuala Lumpur does not approve of the tariff reductions across the board negotiated by Singapore and the Philippines and by Singapore and Thailand. They will be difficult to administer because of the different tariff levels in each country. It would be better first to reduce these disparities, then apply cuts.

Datuk Hamzah Abu Samah, the Minister of Trade and Industry, expects the feasibility study on the urea plant allotted to Malaysia as part of ASEAN industrial cooperation to be completed by October. However, it seems unlikely that production will begin before the early 1980s as it depends on the development of other sectors of Malaysia's petroleum industry.

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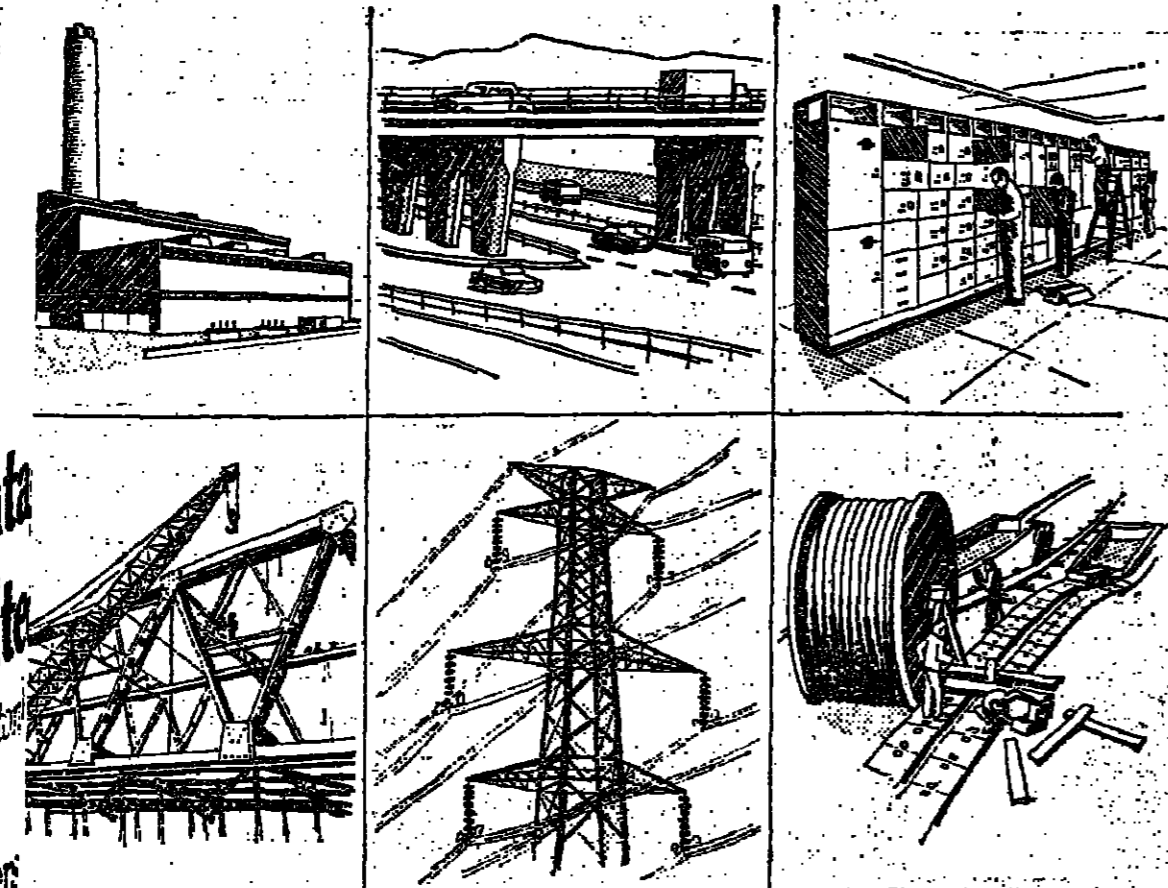


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For Singapore the importance of ASEAN lies just as much in foreign as in economic policy. ASEAN promises both political and economic stability in South-east Asia, and thus provides the necessary backdrop for Singapore's own development.

Asked what specific benefits ASEAN has brought or will bring to Singapore, foreign affairs officials in the republic tend to ask the question round and ask where would Singapore be without ASEAN?

The answer, as they see it, is that Singapore would be at the centre of a South-east Asia fragmented in both political and economic terms, where individual nations dealt with each other in "ignorance and suspicion" and where each would be seeking alignments without outside powers.

ASEAN was formed at a time when power politics were expressed in military terms in the region, when Indonesia's "confrontation" against Malaysia and Singapore was barely over and when there was war in Vietnam. Finding themselves in an "oasis of peace", the five nations made a now or never choice and formed ASEAN. They have not looked back since.

Bilateral issues and irritations, which could have become major quarrels in time, were suppressed by the wider question of ASEAN unity, to the general benefit of all ASEAN countries and not least Singapore. Mutual dissatisfactions have a habit of "melting away under the ASEAN umbrella", as one Singapore government official put it. "Political harmony is consolidated by regular meetings of ministers and officials."

Membership of ASEAN gives all its member countries—and again not least a small country like Singapore—"additional leverage and greater mobility in international relations".

Major powers tend to listen to ASEAN talking as a bloc, where they might not listen so attentively to individual member states, a fact recognized by Mr Lee Kuan Yew, the Singapore Prime Minister, when he made his recent and carefully judged call for ASEAN to consider a concerted retaliation against growing trade protectionism, if forced to do so.

In dialogues aimed at securing preferential trading arrangements, technical assistance and other conces-

## Singapore

Area: 224 sq miles  
Population: 2,250,000  
gnp: \$5,640m  
gdp per capita: \$2,510



Mr Lee Kuan Yew  
Prime Minister



Mr S. V. Rajaratnam  
Foreign Minister

sions from the developed countries the total impact of ASEAN is probably greater than the sum of its parts, officials say. They cite as an example ASEAN-EEC dialogues where Singapore might secure more favourable treatment for its electronics exports and Indonesia for its processed agricultural products than could be obtained through unilateral approaches.

All this is not to say that Singapore does not look for tangible specific benefits from ASEAN, but the general principle is that what is good for ASEAN is good for all its partners, and usually what is good for one is of benefit to all.

Singapore's "free port" status—where all goods enter the republic free of customs duty except for those on an official exceptions list—will remain unaltered by ASEAN membership, at least for the foreseeable future. ASEAN does not have a common external tariff nor generalized free trade, so duty-free entry of goods into Singapore will not infringe any ASEAN trade barriers.

Free port status does, however, raise the question of what reciprocal conces-

sions Singapore will be able to offer to its ASEAN neighbours under the preferential trading agreement signed by the ASEAN foreign ministers last February.

Where imports are subject to Singapore duties, because they are on the exceptions list, there will be no problem. If a bottle of Scotch whisky were subject to a \$5 import duty, a hypothetical bottle of ASEAN-distilled whisky would be dutiable at the rate of \$4 only, assuming a 20 per cent tariff preference offered to ASEAN.

Where imports into Singapore are duty free, however, the republic might have to offer a guarantee of a further 10 years' duty-free admission to imports from ASEAN of that particular product as a quid pro quo for concessions from an ASEAN partner.

Singapore's visible trade with ASEAN—modest in terms of the republic's total external trade—can be expected to increase because of preferential trading arrangements and also because of synergistic benefits. As the general wealth and purchasing power of the ASEAN economies expand so will their capability to buy the type of fairly ad-

vanced consumer and capital goods which Singapore manufactures. Singapore's relative state of advance in this respect explains in part why the republic is one of the prime movers in the drive towards free ASEAN trade.

Singapore has already concluded agreements with both the Philippines and Thailand for across-the-board tariff cuts of 10 per cent which have yet to be carried out. If the margin of preference is greater on the ASEAN multilateral preferential trading agreements this will naturally prevail over the bilateral concession.

At present only about 17 per cent of Singapore's trade is with Malaysia, the Philippines and Thailand. Malaysia takes 14.5 per cent and the Philippines and Thailand 2.5 per cent and 0.5 per cent respectively. Official figures for Singapore-Indonesia trade are not published.

In finance Singapore can also look for tangible benefits from membership of ASEAN. Singapore already has probably the most developed capital market within ASEAN (followed by Manila) and is expanding the liquidity and depth of the public and private-sector bond market with a view to providing a focal point for ASEAN bond issues.

The republic is an important centre for insurance and reinsurance and could service the needs of ASEAN in this area as demand for insurance grows. Much depends, however, upon the extent to which ASEAN nations are prepared to liberalize capital transactions, an area in which the EEC has not been noticeably liberalizing in Singapore's favour.

The Philippines and Singapore want tariff and non-tariff barriers to be reduced to allow their processed and semi-processed goods access to the Japanese market. ASEAN countries also want increased Japanese investment in the region.

Mr Marcos visit to Tokyo during the Second World War, although there have since been hints from the Japanese that Mr Fukuda will make firmer commitments to economic cooperation with ASEAN at the Kuala Lumpur summit.

However, the fact that President Marcos considered himself to be an ASEAN delegate and was considered

As one of the prime movers in ASEAN, the Philippines thinks more and more in terms of its position in the regional groupings when taking foreign policy initiatives. Whenever the Philippine Government is involved in bilateral discussions with another country it is conscious that it is also doing so as a representative of ASEAN. Sometimes this tends to give the Philippines more weight, as in dealing with their powerful Asian neighbour Japan. At other times it can also be a source of embarrassment, such as in Manila's dealings with Libya over the Muslim rebellion in the south of the Philippines.

President Ferdinand Marcos was the first ASEAN leader to meet the new Japanese Prime Minister, Mr Takao Fukuda, when he made an official visit to Tokyo in April. Although he had no specific ASEAN mandate, his Southeast Asian partners watched the visit with interest, and President Marcos realized that he was also acting as a spokesman for the bloc.

As it turned out, the visit was something of a disappointment both on a bilateral and ASEAN-Japan level. Although Fukuda was warm in his expressed sentiments towards the Philippines and ASEAN, there was little practical benefit.

The ASEAN countries, particularly Singapore and the Philippines, had been anxious to see signals from the Japanese that they were prepared to make real economic concessions to the block as a gesture of their commitment towards its progress. Japan relies on the ASEAN countries a great deal for its supply of raw materials, but there have been growing ASEAN complaints of a one-way trade in Japan's favour.

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President Ferdinand Marcos

as such by the Japanese was evident in the final communiqué. "The Prime Minister assured the President that one of the pillars of Japan's foreign policy is the strengthening of relations with the ASEAN countries," it read. "In this context, he reaffirmed the readiness of the Government of Japan to cooperate in support of ASEAN efforts to strengthen self-reliance and national and regional resistance."

Relations between the Philippines and Japan subsequently declined over an unusual issue. After a cholera epidemic had broken out in the western Japanese city of Aikita, the Philippines was unofficially pinpointed as the source. Some of the Aikita victims had just returned from holidays in the Philippines.

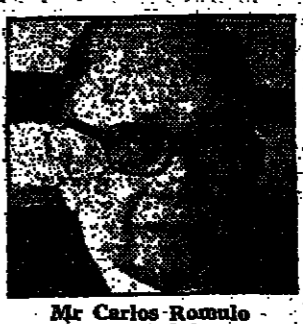
The result was a mass cancellation of charter flights involving some 5,000 Japanese tourists. The Philippines reacted with a particularly offensive newspaper campaign, with derogatory comments in editorials and cartoons aimed at the Japanese.

The basis of the Filipino newspaper attacks was the undercurrent of suspicion and in some cases hatred towards Japanese among Asians who still cannot forget their brutal treatment during the Second World War. And some Filipino commentators linked their reservations about the Japanese with those they presumed to be festering in the ASEAN countries.

Where ASEAN considerations have been subordinated to others is in the Philippines' dealings this year with Libya and other members of the Islamic Conference. Libya's President Gaddafi had been giving material support to Filipino Muslim rebels who had been waging a bloody campaign against the Government in the southern Philippines.

## Philippines

Area: 115,740 sq miles  
Population: 42,500,000  
gdp: \$15,730m  
gdp per capita: \$370



Mr Carlos Romulo  
Foreign Minister

In December 1976, a Philippine government official went to Tripoli to negotiate a peace settlement with leaders of the Moro National Liberation Front, which has led the Muslim rebellion, and their Libyan backers and representatives from the Islamic Conference. The talks resulted in a delicate cease-fire and the basis for a peace treaty.

But in subsequent months a series of renewed talks, first in Tripoli and finally in Manila, broke down in an atmosphere of animosity on all sides. Until this point, Manila had hardly bothered to involve its ASEAN neighbours, including the predominantly Muslim Indonesia and Malaysia.

It was only in a situation in which the dialogue with Libya and the Islamic Conference had broken down, and the May annual Islamic Foreign Ministers' Conference was about to start in Tripoli, that Manila turned to its ASEAN partners for help. What the Philippines most feared was a decision by the Islamic Conference meeting to impose economic or political sanctions against Manila because of its failure to come to an accommodation with Muslim rebels fighting for their "fatherland".

Before the conference, Mr Carlos Romulo, the Foreign Secretary, Mr Juan Ponce Enrile, the Secretary of Defence and Mr Estelito Mendoza, the Solicitor-General, were dispatched to Malaysia and Indonesia, as well as other Muslim countries in the Middle East. Although they decided it, in essence, their mission was to try to gain support for Manila's case at the Tripoli conference.

Up to that point, Malaysia and Indonesia had regarded the rebellion as the Philippines' internal affair, although they were privately worried that President Marcos had chosen to treat

directly with Libya. Mr Adam Malik, the Indonesian Foreign Minister, for one, showed his concern. In an interview with Singapore journalists before President Romulo's party arrived, Mr Malik pointed out that Manila had already chosen to turn to Libya in seeking a solution, which was made it difficult to withdraw to the confines of ASEAN.

In the event, both Mr Malik and Tunji Abad Rikmaden, the Malaysian Foreign Minister, made speeches at the Islamic Conference meeting calling for moderation. Mr Malik appealed for a mood of calm and confidence in seeking peace. Tunji Rikmaden urged continued consultations and a continuation of the cease-fire.

Whether or not the two speeches were noted by the Islamic delegates, the conference's final resolution on the Philippines reprimanded Manila for its "negative attitude" during the peace talks, and pledged solid Islamic support for the rebel

group as the spokesman for the southern Philippines. An insight in importance attached Philippines to its with ASEAN on the policy from was recently in an interview with Mr Romulo. He said heads of state are not tect of policy, we carpenters, building specifications of it tects. It is import heads of state sh cross the general de their respective to establish whet the with bilateral and with ASEAN.

"Thus we are ting our policies. I wanted to recognize desh we consulted low members and ASEAN members y to extend recruitit taneously. We also before voting in th Nations, for exampl Now, the Ph special relationship United States, its colonial ruler, is be to get the first ASEAN-United Ss logue under way. such meeting is a to take place in h September, and Richard Holbrod American Assistant tary of State for E Affairs, is expected The ASEAN team, ing directors-gent ASEAN members y headed by the Phil

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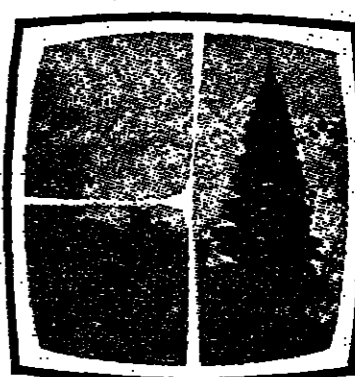
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in-Westmorland		

Naish, a former Keeper of the National Maritime Museum at Greenwich and since 1971 Historical Consultant to the Director of the Museum, died on July 30 at the age of 68. George Prideaux Brabant Naish was born on April 6, 1909, and educated at St Edward's School, Oxford, and University College, London.

DATE: 10/10/1964

## Tax avoidance: 'monstrous' assessments

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consequence whereof, either  
one or in conjunction with  
associated operations, income

sets to be freely given to  
seas residents for no con-  
sideration notwithstanding the  
firm thereby caused to the coun-

subsequent years. It had restricted, however, the amount of the assessments so that they never exceeded the income actually received by the trustees. That, according to the Crown, was a purely voluntary act, albeit one of considerable magnitude. The magnitude of the

The appeal was allowed with costs. The case remitted to the court for a new trial.

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Whitlaven, S. G. P. A. Franks, Mans.  
Hallbury, S. G. Gale, Wex. Glast.  
C. S. T. Garland, St. Edm. H. Glast.  
Wise, C. Gillen, Tan. Lord Williams

S. M. T. Valencia, Pemb. Kanyan C. St.  
Ohio: Jean M. Ward, St Anne's, St.  
ford HS; J. C. Warren, Pemb. North  
mo HS; R. C. Wells, Ballou, Sale C.  
C. B. G. Wern, Pemb. Hursple, oolm.  
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hurst; A. K. Wilkie, St. J. Bristo  
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Vineyard stated that the Crown...  
not seeking any order. As...  
Lordship's judgment had...  
own the Attorney General's...  
ention to matters of criticism...  
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mental functions in relation to...  
abans, and there had long been...

far more than the \$475 that has been awarded, it was far less than the plaintiffs' claim for \$3,140 an acre. The letter also offered to pay the plaintiffs' costs of the actions up to May 16, 1928, to be taxed, if not agreed.

and No. 1 no order as to costs were made.  
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The position is based at our new European Headquarters in Brighton. The Company offers a competitive salary and benefits include mortgage assistance, non-contributory pension and life assurance and free medical aid, but what is probably more important is the outstanding career development opportunities to progress further within an international environment.

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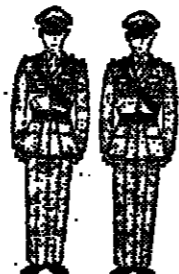




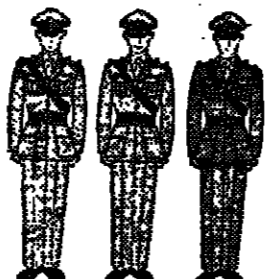
# Should a young man well-bent on getting to the top become an Army Officer?



General £17,925, age 56 onwards.



Lieutenant General £13,998, age 53 onwards.



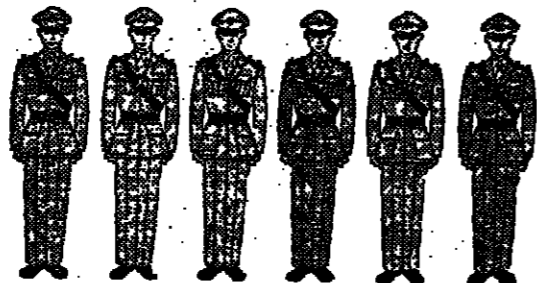
Major General £11,998, age 49 onwards.



Brigadier £10,209, age 44 onwards.



Colonel £8,689, age 41 onwards.



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Major £5,623, age 32 onwards.



Captain £4,641, age 25-33.



Lieutenant £3,819, age 20½ up to 26.



Second Lieutenant £3,136, age 18½ up to 26.

It depends.

In the cut and thrust of life he who cuts and thrusts most ruthlessly often succeeds.

But such behaviour won't get you very far in the Army.

Not surprisingly, people who stab each other in the back aren't very popular in an organisation based on the trust that, if a man's in danger, his fellow Officers will risk their lives to help him.

Think about that. Joining the services means you have to serve. In other words you have to be unselfish. Are you?

## The prospects.

Unselfish doesn't mean unambitious, however. Every young Officer should want to command his own regiment one day.

But beware if you find it an overwhelming desire. Because it's a fair bet that your brother Officers will notice it before you do, and it won't enhance your prospects.

Then, there's the old saying that nothing succeeds like the boss's son. It isn't quite like this in the Army.

Having a dad who's a Colonel might help you to feel at home quicker in the Army than someone whose dad is a doctor or a supermarket manager, but it won't help you get promotion any faster.

## You know where you stand.

The system for giving promotion is, in fact, scrupulously fair.

Each year your Commanding Officer writes a report on you. It gives his opinion of your development and whether you're ripe for promotion.

As we say, it's his opinion. So how do you know if it's a fair one? What if you don't get on with him? Supposing he has a grudge against you?

There's a simple safeguard and basic human right built into the process. The report is shown to you before anyone else.

## Promotion.

The advantage of this system is that you know where you stand. Nothing is done behind your back.

If, for example, your superiors think your handling of men isn't up to scratch you can discuss it with them so that you can work on it.

These reports form a permanent record of your career. And so will your performance in written and practical examinations.

They are infrequent but important.

As you go higher up, your understanding of Army matters has to widen and deepen to a point where it embraces things of world-wide significance.

'Poverty may never be the cause of war but nevertheless may gravely endanger international order—discuss' was a question in a recent paper given to Captains trying for the rank of Major.

Candidates were also asked about the influence of economic factors in British foreign policy since World War II. As well as questions relating to war studies and military law.

Your results together with your annual reports will be considered by a board of senior Officers you'll probably never know and which, therefore, can assess you freely and objectively.

## The first step.

Your first step will also give you your first taste of the impartiality of Army selection.

If you're between 17½ and 26, spend three days with the Army Officer Selection Board at our expense.

In company with other young men you'll face a programme of tests compiled by psychologists and military tacticians.

Are you fit? Can you lead? Do you flap when your mind boggles and you're up against the clock? Do you dry up in front of an audience? In short, have you or haven't you got it in you to become an Officer?

Most young men enjoy the experience and say they learn something about themselves. Even those who fail agree that the system is fair.

But if you are successful, when you leave Sandhurst you will earn £3,136 p.a. as a Second Lieutenant. If you already hold a degree, your salary will be £3,819 p.a. as a Lieutenant.

Write to Major C. N. B. Wellwood, Dept. A26, Army Officer Entry, Lansdowne House, Berkeley Square, London W1X 6AA.

Tell him your age, educational standard, interests and business experience, if any.



## Army Officer

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BANKS DEBATE/Broadsheet No.3

# SO FAR OVER 20,000 PEOPLE HAVE HAD THEIR SAY.

3.6% for  
bank nationalisation.

90.5% against  
bank nationalisation.



The Banks Debate has so far brought in over 1,000 replies and we thank everyone who wrote. 90.5% were against the proposal by the National Executive Committee of the Labour Party to nationalise the banks. 3.6% were for it. A further 9% were not strongly for or against.

These figures confirm the findings of independent surveys of public opinion, which have also shown a very large majority opposed to bank nationalisation.

Not that the banks went uncriticised, even by holders of the status quo. We have tried to answer every letter and coupon and many who had adverse comments to make will have received detailed replies. All comments and suggestions are valuable to us, and are getting serious consideration.

Here, in their own words, are the views of some of the people who have written to us for and against bank nationalisation.

## "Nationalise the banks!"

"Banks and insurance companies must be taken into public ownership, under democratic workers control; social responsibility and accountability must be ensured."

J.G. Somerset

es, combine the four main clearing banks into one body with an independent charter such as that enjoyed by the British Broadcasting Corporation."

J.U.W. Peterborough

"I think there is a good argument for nationalisation of the banks in so far as the private funds of the people in this country are too important to be looked after by bodies whose foremost concern is profit; it seems reasonable that the funds should be controlled by a democratically elected body, such as the government."

S.G. Birmingham

En banks all providing the same service - it's not competition. It's a waste of valuable resources!"

E.A. Lincolnshire

## "Don't nationalise...but!"

I consider the banks to be a little too idebound, they should... use their money more adventurously, take more risks. On the question of nationalisation, I deplore the very thought of more State intervention."

G.B.S. Wiltshire

## "Don't nationalise!"

"The nationalisation proposals are concerned more with power seeking than efficiency."

R.W. Tyne and Wear

"...I am sure on nationalisation our person to person relationship would cease and I would transfer my private business and company accounts to, say, an American bank... I would advise my clients to take a similar course of action. (I am an accountant.)"

P.W. London

"It is nonsense to suggest that nationalisation of the banks would affect borrowing by industry. Industry borrows money to finance expansion or development schemes which it considers viable. They do not borrow money because the banks are nationalised."

J.H.C.P. Nottingham

"Governments come and go with no apparent stability. From what I see and hear, as soon as nationalisation comes in the door, personal responsibility flies out the window."

E.N.S. Essex

"At present we can deal with real people with real power to get things done. Once you get nationalised your troubles begin. I know. I work for a nationalised industry and it gets worse every day."

G.V.J. Hull

"I am convinced that without competition there will be loss of efficiency, plus disregard for the interests of the individual."

E.M.H. Sussex

"If an industry that is vital to our economy or way of life would cease to exist without nationalisation, such as the Post Office etc., then nationalisation is obviously justified. But this is not the case in Banking."

E.C. Gloucestershire

"Has the Labour Party Conference forgotten it is supposed to be speaking for the people? No-one asked us our opinions until now!"

M.P.W. Tyne and Wear

"The banks are doing a first class job and we never fear banks losing money."

M.C. Middlesbrough

"...the compulsory direction of funds into industrial investment, a proportion of which will be financially suspect and politically motivated, would cause offence to a considerable proportion of depositors."

D.L.H. Kent

"... I am sorry to say that this new breed of bank will be one without my confidence, agreement and MONEY!"

S.J.S. Essex

"It would seem obvious that the lack of competition resulting from the proposal can only bring about the decline of one of Britain's most successful and efficient industries."

C.D.W. London

"This restriction on loan availability is the main economic argument for the nationalisation of the banks, and it does not hold."

D.J. McG. Coventry

"As a smallholder with 10 years experience of two nationalised industries, I know without doubt nationalisation stands for over-manning, waste of money and materials and incompetence."

J.S. Essex

"Too much of the tax-payer's money is already used to bolster inefficient and badly managed industries."

N.P. Leics

"The most important point is, I think, that any form of nationalisation would be final... once we lose our banks... we would never get them back."

J.S.S. Glasgow

## Have we heard from you yet?

The Banks Debate is a lively one. And we still want to know what you think - about the comments printed here, or the case put forward in Broadsheets No.1 and No. 2. We will do our best to answer every letter and coupon received.

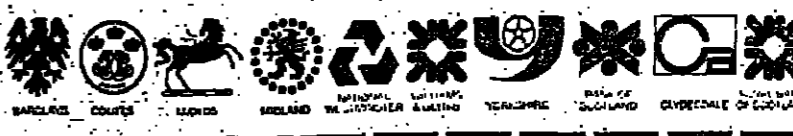
## THE BANKS

### Now tell us what you think.

You can write your comments on this coupon alone or enclose it with a letter. Address your reply to THE BANKS, 10 Lombard Street, London EC3V 9AP. Or deliver it to any branch of any bank listed below, in an envelope marked "The Banks Debate"



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## Disquiet over police tactics and nuclear energy policy after violence at French reactor site

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# Why the rulers of the Soviet Empire dare not move to crush the opposition from within

**D. A. B.**  
The author is fore-  
gist for the Forestry  
sion

aircraft carriers were the facts ought to be. On August 3, 1917, Commander Dunning first by bringing his Pup in to land on the HMS Porpoise, which under way.

There were no arre to watch the zeppelin flight deck was swamp platform made of the ship's deck. Above the 22,000-lb boat Dunning flew the P side the moving ship, safely past the bird slipped the fighter to the deck. He was quick to grab the plane by toggles attached to wings and tail.

In achieving his nautical journals den a "dangerous trick" prolonged the need. If flight decks for the 1. planes. Sadly, he was repeating the manoeuvre days after the first.





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# Stock Exchange Prices

## Continuing momentum

ACCOUNT DAYS: Dealings Began, July 25. Dealings End, Aug 5. Settlement Day, Aug 16

Forward bargains are permitted on two previous days

BRITISH FUNDS				COMMONWEALTH AND FOREIGN				LOCAL AUTHORITIES				FOREIGN STOCKS				DOLLAR STOCKS				BANKS AND DISCOUNTS				BREWERS AND DISTILLERS			
High	Low	Stock	Price	High	Low	Stock	Price	High	Low	Stock	Price	High	Low	Stock	Price	High	Low	Stock	Price	High	Low	Stock	Price	High	Low	Stock	Price
100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100	100

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## E NEWS

## Be of cuts in welfare spending challenged in confidential report on increasing social needs

By a Staff Reporter

More than half the local education authorities that had been asked to submit proposals on comprehensive reorganization by July have failed to do so.

In a recent parliamentary written reply, Miss Jackson, Under Secretary of State at the Department of Education and Science, said the 34 authorities that had not submitted plans had been requested to do so within six months. Only 14 had complied.

No proposals have been received from Berkshire, Birmingham, Bromley, Croydon, Dorset, East Sussex, Enfield, Gloucestershire, Hereford and Worcester, Kirkcaldy, Manchester, North Yorkshire, Tameside and Warwickshire.

The department said some authorities were waiting to have their proposals agreed by a meeting of the full council. "Obviously we shall wait for that, but if anyone is deciding to stall, we shall be firmer."

Mrs Williams, Secretary of State for Education and Science, has threatened Birmingham with court action. Tameside has been given a September deadline.

Of the 97 local education authorities in England, 23 are now totally reorganized.

Only one authority, Kingston-upon-Thames, has no comprehensive schools. About 75 per cent of secondary school children are now educated in such schools.

by unacceptable reductions in other personal social services— or other local government services."

The steering group comprises representatives of the Department of Health and Social Security, the Treasury, the Welsh Office, and the main local authority associations. It points out that simply to maintain present standards the White Paper estimates for current spending would have to be increased by £13.3m in 1977-78 and £16m next year.

Smaller increases would be needed in the next two years, but in 1981-82 an extra £16.6m would be required, an increase over the White Paper estimate of 1.7 per cent.

The option of cutting expenditure by 21 per cent next year, and 5 per cent in subsequent years, would mean a reduction of £40.9m in current spending in 1978-79. Larger cuts would be implied in later years, reaching £68.3m in 1981-82.

The report says that the local authority representatives doubt whether councils could accept the consequences of such cuts, while the government representatives hoped they would not be needed.

The severe reductions in spending on the social services have left little scope for improved efficiency or even minor economies, the report says. Local authorities are finding it difficult to implement government policy that field and domiciliary services should be pro-



Some of the 280 police cadets who passed out from the Cadet Training School, Hendon, yesterday, leaving the parade ground.

## Education authorities fail to state all-in plans

By a Staff Reporter

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## Local advice services 'need national policy'

By Our Consumer Affairs Correspondent

Public money has been wasted because there is no national policy for financing local advice services, a National Consumer Council (NCC) paper published today says.

Lack of coordination has meant a "chaotic" situation in which different Whitehall departments send separate streams of money to different advice agencies in the same district while in other areas no public money at all is available for advice services.

The NCC believes, however, that advice services have already proved their worth in helping to achieve "the fourth right of citizenship, the right to information, and advice". Without specialist help, it suggests, citizens cannot be expected to know the extent of their rights in a complex welfare state.

The paper suggests that the Department of Prices and Consumer Protection should take the lead in preparing a national policy, and be responsible for implementing and funding it.

County authorities should be responsible for the provision of local advice, with a fairer geographical distribution of advice services and more small general-purpose advice centres in districts that have none at present.

There is a strong case, the report says, for a "mixed economy" of volunteers and professionals working side by side. The Citizens' Advice Bureau is warmly praised, but the NCC sees them "providing the basic local GP service" referring people to professional specialists where necessary.

The expression of advice services should be resumed as quickly as possible, the paper says. But meanwhile, "every effort should be made to make the system itself less complex" by doing away with some of the multiplicity of means-tested benefits, finding new legislation, and simplifying pricing systems in the shops.

The Fourth Right of Citizen: A review of local advice services (National Consumer Council, 18, Queen Anne's Gate, London SW1, 75p).

## Bomb charge man cleared

Peter Wheatley, aged 27, was given a two-year suspended prison sentence at the Central Criminal Court yesterday for possessing an explosive substance.

Mr Wheatley, a heating engineer, of Priors Croft, Old Woking, Surrey, was cleared of putting a bomb underneath the van of David Cookson, his brother-in-law, with intent to do him grievous bodily harm; planting the bomb; and making another bomb with intent to endanger life.

## for legal right to trial information

Public should be a legally right of access to information, Public Pressure Group, study paper published.

which is published by the Policy Unit, Committee for Freedom of Information in the United States. It proposes the setting up of an information commission to investigate about refusals to disclose information, with an appeal to the courts. It also argues that penalties for the disclosure of information should be cases where disclosure is a threat to security or to industry. Where proper or unauthorized disclosure is a place, it should be to rule on questioning proper classification of official documents.

Government has a Bill on the reform of the Official Secrets Act this is likely to follow recommendation of the committee in 1972 that it should be a new official Act which would concentrate the protection of criminal sanctions on the unauthorized disclosure of information that is critical to the security of the state or to the national interest, and not apply indiscriminately to all official information.

The Public Secrets Group feels that the recommendations of the Franks committee on which new legislation will be based are too narrow. They do not touch on the wider questions of freedom of access to official information and more open government which the Royal Commission on the Press, the Fulton Committee on the Civil Service and the political parties have all recommended.

The group argues that the remedy for the unnecessary secrecy in British government is not to tidy up the Official Secrets Acts, but to establish a new basis for the relations of government, citizen and official information.

The Public Secrets group was set up in February this year at the suggestion of Mr Frank Field, of the Child Poverty Action Group, and Mr Paul Barker, of New Society. Both had been at the centre of a political clash over the leak of Cabinet documents, after the New Society on the decision not to implement the child benefit scheme in June, 1976.

## Windmills could supply power of UK's electricity

Special Correspondent

generation of wind power, situated in 12 400 windmills each, water around England would be able to provide quarter of the country's electrical requirements.

Peter Musgrove, of the Department of Engineering University, told the inquiry yesterday.

It is an independent report for the Society for Environmental Improvement, providing evidence of sources of energy to the inquiry.

that if a wind energy development was funded the United Kingdom could start to produce quantities of wind-electricity in little a decade.

Wind-generated electricity was very close to being economically viable, Dr Musgrove said. It was surprising that the Department of the Environment had contributed only £75,000 to a windmill design study to be undertaken by an industrial consortium. In comparison, the department had allocated £240,000 for a geothermal energy research and development programme, £2.5m for wave-energy studies, and £3.5m for solar-energy studies.

Dr Musgrove said that to provide a wind-generation capacity of 1,000 mw, comparable with most conventional power stations, would require 400 windmill installations.

The coast from Hull to Great Yarmouth was the largest shallow water area around the United Kingdom and was one site he favoured most.

## Man killed his daughter in knife attack

Correspondent

Man admitted at Crown Court, Lancashire, killing his 16-year-old daughter in a knife attack. Sir Rudolph said that millions of people were in a high emotion. He said to kill even the child with a knife was a crime, and one is say, almost unheard of.

Owen Taylor, aged 41, Ribblesdale, was charged with the murder of his daughter. He had a previous record for manslaughter. Mr Benet for the prosecution, asked the jury to find Taylor guilty of the murder of his daughter. Mr Taylor told the jury that he had been with his daughter when she was attacked by a man. He said he did not mean any harm.

## Scheme to save small chemists' shops 'derisory'

A Department of Health and Social Security scheme to save small chemists' shops from closure was described as derisory by a chemist's negotiator yesterday.

The negotiators issued the warning at a London press conference that closures, already running at 300 a year, would continue.

The offer from Mr Ennals, Secretary of State for Social Services, involves a "Robin Hood" approach of taking money from profitable larger chemists to support, with additional government aid, smaller ones, which on average are losing about £2,000 a year.

But Mr Robert Worby, chairman of the Pharmaceutical Services Negotiating Committee, said that would still leave more than a third of Britain's 9,600 chemists losing about £1,000 a year.

He said the money the larger chemists would lose would leave them less able to maintain good stocks of drugs. A conference of chemists in October will decide whether to accept the offer.

## Man in shooting

Man in shooting, aged 40, was charged with the murder of his daughter. He had a previous record for manslaughter. Mr Benet for the prosecution, asked the jury to find Taylor guilty of the murder of his daughter. Mr Taylor told the jury that he had been with his daughter when she was attacked by a man. He said he did not mean any harm.

## Forgotten children

Taxi drivers, whose outing for deprived children from the Chatham area had to be cancelled because the social services department forgot about it, are to arrange a new trip.

# How to help your sales manager translate prospects into exports



Exports are good for business and good for Britain. For your sales manager, they can also be a big worry. With increasing pressure to provide credit to overseas customers, he needs fast and efficient financial support.

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Bid James farewell.

Or keep him, and a tidy sum in the bank, by prudently investing in the luxurious Toyota Crown.

Indeed, at £6,056 it should leave ample funds to cover his salary for a number of years.



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Sink into the plush comfort of our backseats, light a cigar and control your own air conditioning from the central console as you gently unwind.

Then if the F.T. seems a little too taxing, turn on the 3-band self-seeking stereo radio complete with your own volume control.

For the more studious there are individual reading lights.

Some say it's more comfortable than their own home but we feel that is pushing credibility too far.

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## SAFE AS CASTLES.

The Toyota Crown is unique in having a door locking device that comes on automatically when the car reaches 15 mph.

We've also fitted tinted glass to cut down on glare from the sun and oncoming headlights at night.

Whilst on the subject of lights we have ones that warn of headlamp, tail or stop light failure and low brake fluid, plus hazard warning and rear door warning lights.

And to keep you both comfortably and safely in your

place, there are front and rear seat belts fitted as standard.

Also, for your peace of mind, there's an unlimited warranty of 12 months.

As you can see the Toyota Crown is perfectly equipped for the awesome responsibility of carrying its Very Important Person from A to B.

And it can get you there at a very respectable 20 mpg\* and with a performance that gives a top speed of 100 mph\*.

But as James would say, "It's always nice Sir, to have that little bit extra in hand."

If you'd like to test drive the Toyota Crown or the Estate version, ask James to take you along to your local Toyota dealer. (James will find them in the Yellow Pages.)

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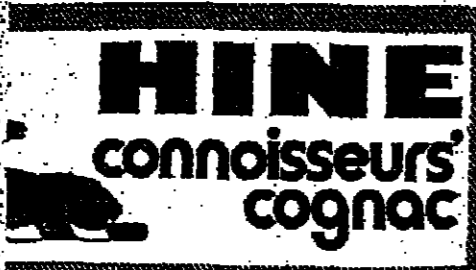












# Stock Exchange Prices

## Rally maintained

ACCOUNT DAYS: Dealings Began, July 25. Dealings End, Aug 5. Contango Day, Aug 8. Settlement Day, Aug 16

Forward bargains are permitted on two previous days

COMMERICAL AND INDUSTRIAL				INSURANCE				INVESTMENT TRUSTS				PROPERTY				RUBBER				TEA				MISCELLANEOUS				SHIPPING				MINES				FINANCIAL TRUSTS																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
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and carefully  
it's time  
new tyres



**Peter Waymark**

[illegible]

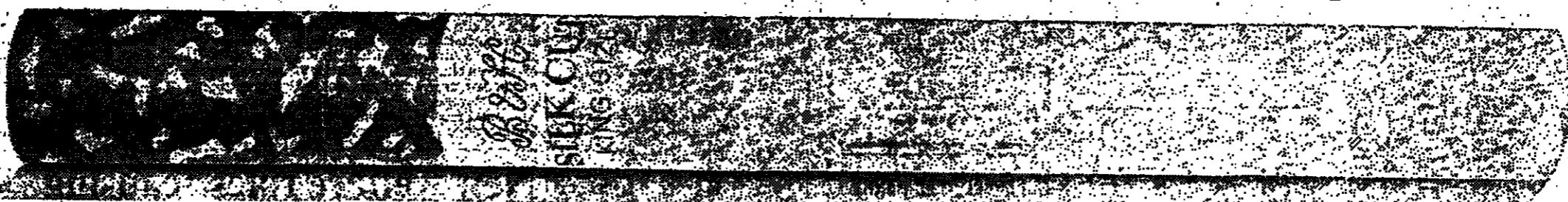






# Silk Cut with tobacco substitute.

14 years of development rolled into one cigarette.



*The most sensible way to use tobacco substitute is to blend it with tobacco to produce a cigarette which the Government is prepared to define as low tar.*

In the 14 years since Silk Cut first saw the light of day, we've been trying to find ways to make it lower in tar.

This year, the Government gave their agreement to a method of further reducing tar: cigarettes containing a proportion of tobacco substitute.

Hence our new cigarette.

It's a blend of three-quarters tobacco to one-quarter tobacco substitute.

Consequently, it offers smokers a touch more flavour than conventional Silk Cut. And, as you would expect, a touch less tar.



**Silk Cut with tobacco substitute, 47p and 55p.**

Recommended retail prices.

**LOW TAR** As defined by H.M. Government

**EVERY PACKET CARRIES A GOVERNMENT HEALTH WARNING**















# We don't want you worrying about pub violence.



## We're worrying.

Possibly you remember the advert we ran last year in which we suggested that more should be done to discourage people who attack licensees.

Well, it sparked off a considerable response. 2,600 people responded to the advert. And a significant proportion of them tended to support our view. Admittedly, many of the replies were from licensees. But by no means all.

All sorts of people wrote in. More than a few offered carefully considered approaches to the problem of violence.

(If you would like more detailed information on the response, drop us a line at the address below.)

Obviously, our first concern is the people who work in our pubs. We want to see attacks on them diminishing in number, rather than going up as they are now.

But violence certainly isn't confined to pubs. Sporting events, schools, political meetings, picket lines, public transport have all suffered from it in recent years.

Thuggery seems to be increasing and its causes aren't well enough understood.

So Whitbread have decided to set up a Foundation to study the causes of violence in general - and its relationship with the consumption of alcohol in particular.

This Autumn, a research team based at Oxford University will commence a two-year study of violent encounters.

During this period they will report periodically on their findings to a specially formed committee of academics, public

figures and members of the Whitbread Board. They will publish the results of their work in due course.

We hope that greater understanding of the problem will suggest ways in which it can be solved.

Meanwhile, we have established a system which gathers detailed information about every act of violence that occurs in a Whitbread house.

Our licensees are now asked to fill in an Incident Report Form immediately after any disturbance on their premises. These contain full details of time, place, personnel involved, the nature of the violence and any injuries. All reports are collated at the Brewery and provide a documented source of what actually happens in our pubs.

We intend to feed this information, at regular intervals, to the Brewers' Society, the Magistrates' Association, the National Union of Licensed Victuallers, the National Association of Licensed House Managers and all other parties interested in the pub trade.

They are all concerned with the problem of violence from one standpoint or another, and up-to-date information will be helpful to all of them.

A leaflet which gives fuller details of the response to the first advertisement is available from Whitbread & Co. Ltd., Advertising Department, The Brewery, Chiswell Street, London, EC1Y 4SD.



**WHITBREAD & CO. LTD.**



"Buy British"—said the sign on the delivery box of a Honda motor cycle in Martin's Lane, London.





## Fed sees grounds for concern at commercial loans to Third World and urges stronger IMF

taken by Korea, the Philippines, Taiwan and Thailand and a further 10 per cent by India and Pakistan. The remainder went to a large number of Asian, African and South American countries.

The Fed said nearly half the total was owed to the United States, with half of this amount accounted for by United States banks and with most of the remainder accounted for by banks in Canada, Japan and Western Europe.

The Fed said that the country could be strengthened by raising the amount of aid flows and the resources of the IMF, as there were serious dangers in pressing for a sharp reduction in commercial bank lending.

Such a sharp reduction could make it most difficult for some countries to repay their foreign loans, while at the same time a widespread interruption of interest and amortisation payments could cause problems for some of the world's largest commercial banks.

Leyland Cars increased its home market share in July to 30 per cent, its biggest slice of the market for more than a year. Total sales for the car industry for the month, however, were down by nearly 40 per cent.

Sales of 17,929 cars last month gave Leyland market leadership for the first time since February. The volume was 24 per cent up on a year ago, when Leyland's share was 26 per cent, and the total industry sales for the year were 7.8 per cent lower.

Improved supplies since the ending of the toolmakers' dispute in March has clearly raised the confidence of dealers, and the company said today that early recovery suggested the recovery during August would be sustained.

Preliminary July figures, issued by the Society of Motor Manufacturers and Traders, reveal that Ford, which has the market since February, sold 15,535 vehicles to give it a market share of 25.8 per cent.

Vauxhall stressed yesterday that in the first seven months of the year it was the only major British car maker to increase its share.

So far this year the American-owned company has won a 9.5 per cent share against 8.8 per cent in January/July, 1976. Mr Hal Carpenter, Vauxhall's director of marketing, said the company's order book was now at the highest level in its history.

Imports for the month totalled 23,639 to account for 39.3 per cent of the market, against 43.2 per cent in June. Excluding imports, the market was led by United Kingdom-based manufacturers, however, the import penetration was down to 25 per cent.

From Our U.S. Economics Correspondent

Washington, Aug. 4

Dr. James Callaghan has called for a White House conference for early next year on "balanced annual growth and economic development."

A series of specialized pre-conferences are now being scheduled and Dr. Juanita Kreps, the Secretary of Commerce, announced today that the agenda for the White House meeting would be "ambitious."

Delegates would include elected officials and private citizens, business people, workmen and women, environmentalists, consumers and developers—a cross-section of the nation.

The conference proposal is likely to win a sceptical response from business and labour leaders and from academic economists. It may be seen as a repeat publicity stunt for the same sort as President Ford's summit conference in September, 1974.

This resulted in the President proposing a set of economic policies which were derided by Republicans and were barely even given an airing in the Congress.

Dr. Kreps told the National Conference Of State Legislatures in Detroit that the White House would have a wide range of major themes.

She said it would focus on the course public policy should take towards areas with declining or lagging economic uses. It would discuss the federal role in providing assistance to local gov-

ernments with depleted revenue bases and inadequate public services.

In addition, she said the conference would deal with a wide assortment of specific problems concerned with aiding the unemployed, and the government could take to correct the uneven effects of current policies on the distribution of economic development and population movements in the country.

The meeting would strive to determine ways in which the government could more effectively deal with problems which cut across local and municipal government boundaries, departmental lines and across federal government bureaucratic levels.

## THE POUND

	Bank buys	Bank sells
Australia S	1.62	1.57
Australia Sch	29.50	27.50
Belgium Fr	64.00	61.00
Denmark Kr	1.91	1.86
Denmark Kr	10.72	10.32
Finland Mk	7.20	6.95
France Fr	1.57	1.53
France Fr Dm	3.57	3.52
Greece Dr	64.25	61.25
Hongkong S	3.40	7.95
Italy L	1355.00	1590.00
Japan Yu	485.00	470.00
Netherlands Gld	4.40	4.18
Norway Kr	9.43	9.07
Portugal Esc	69.50	65.50
S. Africa Rd	1.86	1.74
Spain Pes	148.00	144.00
Sweden Kr	7.59	7.54
Switzerland Fr	4.34	4.17
US \$	1.78	1.75
Yugoslavia Dm	32.75	30.50

Rates for small amounts than bank rates only, as supplied by special agents.  
 For international remittances different rates apply to travellers' cheques and other

Brussels, Aug. 4.—EEC officials today announced a series of conditions for their approval of a £65m British subsidy to its shipbuilding industry.

Normally the EEC is opposed to such special national aids, which have been announced recently in France, Italy and Germany.

A letter to the British Government from Mr Raymond Voué, the member in charge of competition on the European Commission, was reported by a spokesman to say that the Commission wanted a report by December 31 and a commitment within three months thereafter on a British plan for restructuring the industry.

Each grant should be notified to the Commission, and get its approval, it added. If a subsidy was given to a shipyard in connection with a shipyard in another

Results for (Years ended 31st March)	1977 £	1976 £
Turnover	38,696,000	31,702,000
Group Profit before Tax	2,087,000	1,445,000
Net Profit attributable to Ordinary shares	892,000	702,000
Net Dividends per 25p Ordinary share	4.189p	3.779p

Extracts from the Chairman's circulated statement:

Despite various trading difficulties I am pleased to be able to report record sales and profits. The major part of the increase in both sales and profits is due to our policy of internal expansion.

### FOUNDRIES DIVISION

The significant growth in profits over recent years has continued. At Tipton Foundry the melting plant development has been completed and is working satisfactorily. Vowles Foundries near Lixford now pressure die-casting machines on the aluminum side has now been commissioned and is in full operation.

### ENGINEERING DIVISION

Some companies have been affected by Government cut-backs. The remainder of the Division have either produced very good results or are progressing satisfactorily and we therefore look forward to improved results.

### OTHER ACTIVITIES DIVISION

W. Dickens & Co. are continuing to develop as a leading supplier of protective clothing and safety wear, Phypre Plastic Products are one of the foremost distributors of 'Perspex' sheet.

### OUTLOOK

Demand is continuing at a fairly high level and I would expect that given the ability of the Government to provide a satisfactory economic climate we will show a further improvement in this current year.

**Castings - Light Engineering - Aluminium Windows**  
**Protective Clothing - Perspex**























# BMA and others oppose local... When petrol... down on Monday

By Mark...  
The price of four-star petrol should fall to below 80p a gallon in many areas. Under the Price Code, indirect tax reductions must be fully reflected in prices. But a station might be able to justify a simultaneous price increase if that did not contravene its agreed profit level.

The 5p duty was imposed in the Budget but removed after opposition in Parliament. The Liberal Party argued that it would penalize motorists living in rural areas who depended on a car for their basic transport.

The new law compelling the clearer display of petrol prices at full price comes into effect on Friday. The aim is to ensure that the price for a gallon is clearly visible to the passing motorist and signs such as those which say "10p off" or "unspecified price will be forbidden" will be prohibited.

The resort to law follows the failure of a voluntary agreement between the Office of Fair Trading, the garage trade and the oil companies. The Department of Prices found that only half the garages were complying.



Mr David Smith, an amateur beekeeper, scooping a swarm of bees off the Temple Church, London, yesterday.

# mission control... Fifteen more BA... jetliners may be examined

By Mark...  
The Civil Aviation Authority (CAA) has announced that it will examine 15 more British Airways (BA) jetliners. The examination is part of a series of checks on BA aircraft following concerns over the safety of the airline's fleet.

The CAA said that the examination would cover a range of factors, including the condition of the aircraft, the training of the crew, and the reliability of the aircraft's systems. The examination is expected to take place over the next few weeks.

# organizer... resigns

By Mark...  
The organizer of the... has resigned. The resignation was announced after a series of disagreements between the organizer and the... over the... of the...

# Members of heat allowance scheme will not receive full pension increase

By Mark...  
Members of the heat allowance scheme will not receive a full pension increase. The... has announced that the... will be reduced to... of the...

# the Miles stages a welcome for King Harry

By Mark...  
The New Shakespeare Company will present their highly successful production of Henry V in the tiling yard of Arundel Castle on the evening of August 28, after they have finished the... of the...

# Packers cut 10p a pound off most tea prices

By Hugh Clayton...  
Most packers will cut prices of packaged tea by 10p a pound on Monday. The... has announced that the... will be reduced by 10p a pound.

Tea	Old Price	New Price
Brooke Bond PG Tips	23p	30p
Brooke Bond Co-operative "99"	23p	25p
Lyons Cuckoo Brand	23p	25p
Lyons Cuckoo Brand	23p	25p
Co-operative "99"	23p	25p

# Health council campaign against new cigarettes

By Mark...  
The Health Council has launched a campaign against new cigarettes. The... has announced that the... will be reduced to... of the...

# Members of heat allowance scheme will not receive full pension increase

By Mark...  
Members of the heat allowance scheme will not receive a full pension increase. The... has announced that the... will be reduced to... of the...

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By Mark...  
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## WEST EUROPE

# Dr Soares accuses Portuguese Communists of trying to create atmosphere of instability

From Jose Shercliff...  
Lisbon, Aug 5. Dr Mario Soares, the Portuguese Prime Minister, has accused the Portuguese Communists of trying to create an atmosphere of instability in the country. He said that the Communists were trying to undermine the government and create a situation of chaos.

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# Communists keep French Socialists on the hook

From Our Own Correspondent...  
Paris, Aug 5. The French Communist Party (PCF) has kept the French Socialist Party (PS) on the hook. The PCF has refused to support the PS in the upcoming elections, despite the PS's promises to support the PCF.

# EEC sees bigger surpluses ahead

Brussels, Aug 5.—The EEC will have big surpluses in cereals, wine, milk products and sugar during the next one or two years, the EEC Commission said. The Commission said that the surpluses were caused by a combination of factors, including a decrease in demand and an increase in production.

# World churches move on Rhodesia oil

Geneva, Aug 5.—The World Council of Churches (WCC) has called on its 293 member churches to put pressure on the Rhodesian government to stop using oil from South Africa. The WCC said that the use of South African oil was a violation of international law and that the churches should take action to stop it.

# Miles set to win second big chess contest

Bienne, Switzerland, Aug 5.—Anthony Miles of Britain has won the second of two international chess tournaments here today. Miles defeated his opponent in a decisive victory.

# M Barre ventures into a corner of Brittany

From Our Correspondent...  
Paris, Aug 5. M. Raymond Barre, the French Prime Minister, made another excursion into the country today, continuing his policy of visiting far-flung areas to study unemployment.

# French minister to visit East Africa

Paris, Aug 5.—M. de Guiringaud, the French Foreign Minister, will visit Kenya, Zambia, Mozambique and Tanzania. The visit is part of a series of trips to East Africa to strengthen relations with the region.

# British team at sixth place in bridge championship

From a Bridge Correspondent...  
Britain fell away badly in the second half of its match against Italy to lose 18-2 and to slip to the sixth place in the championship table. Sweden recovered well in the second half of their match against Poland to turn an imminent defeat into a convincing win.

# Spanish arrests for nudity

Madrid, Aug 5.—After a period of relative tolerance, the Civil Guards have cracked down on nudists on the island of Ibiza and other holiday areas of Spain. The guards arrested several nudists for violating local laws.

# French nuclear trial today

From Our Own Correspondent...  
Paris, Aug 5. Police and demonstrators were preparing for a full-scale demonstration today, as the trial of the... began.

# Bonn minister's warning on terrorism

Frankfurt, Aug 5.—Herr Schmidt, the West German Chancellor, and President Walter Scheel were among 900 businessmen and politicians who attended a memorial service here for Herr Jürgen Ponto, the banker murdered by terrorists last weekend.

# Swiss will hand leftist to Italy

Lausanne, Aug 5.—The Swiss Federal Court decided today to extradite to Italy Miss Petra Kruuse, a leftist militant held without trial for 28 months on suspicion of carrying out bomb attacks in Switzerland and Italy.

# Treasure hunters held in Sardinia

Nuoro, Sardinia, Aug 5.—The police today arrested four young West Germans who had dug up archaeological treasures in the Cave of the Miracles here and arrested them for theft.



Carrot and illegal immigrants  
AUGUST 6 1977

# Saturday Review

## A Hungarian at Eton and Oxford

Hungarian born artist and designer, Lazlo Moholy-Nagy, lived in England for two years in the thirties. He designed the décor and window display for Simpsons, posters for London, worked in films, and illustrated three books with his Leica photographs. These were published by the firm of John Miles, a subsidiary of Simpkin Marshall, the book wholesalers. (The "John Miles" came from a distant ancestor of the Miles family who controlled the firm.) The books were commissioned and designed by Harry Paroissen, who later became managing director of Penguin. The authors of two of the books Sir John Betjeman and Bernard Fergusson (Lord Ballantrae) write about their collaboration with Moholy. An exhibition of Moholy's photographs organized by the Goethe Institute is on show at the Impressions Gallery, York, until August 31.

### Bernard Fergusson



Fourth of June. Reunion on Agar's Plough. Cricket may be in progress, but even the people in the chairs are only pretending to watch it.

as a 24-year-old, the Black Watch, a newly-promoted commanding officer at Aldershot, was to become the next 10th Hussar. He had a generous literary aspiration, contributing both fairly regularly and with me, and over each rejecting my appreciation with which EVOE") the then softened the blow, scribble in pencil or "You know better than this!"

A letter arrived, her whose name, was unknown to Wavell. It turned up by a small, shrewd, within shall, the vast firm, bookellers. The ted me to London a new project, intended to tie in a small short list of high Three of these, printed and pro- to be illustrated tps from a truly fuggan with a ew technique.

There is a splendid photograph in *Eton Portrait* of which the caption reads: "Saturday morning: the tailor's barrow bringing round the clothes, cleaned and pressed, for Sunday and the week to come". It is taken from a first-floor window at an oblique angle, in a style familiar to us now, but startling then. Well do I remember that photograph's genesis. Moholy and I were casting around the back streets of Eton that morning, looking for typical scenes and people to record, when suddenly, down Common Lane, I spotted this phenomenon, peculiar to the place, of the tailor's Saturday morning delivery.

"Get that!" I said, with all the authority I could summon up. Moholy was drifting along in a dream; but he woke up, spotted the tailor's barrow, pointed like a gun-dog, and darted into an open door and up the stairs of a boys' house, with his Leica at the ready. I pursued him, on the heels of a baying boys'-maid and the

infuriated. Dame: a female functionary in every Eton House who combines the offices of matron and mistress. I found him kneeling on an ottoman in the window, taking a series of photographs of which this one was our final choice. He was entirely, undeterred by the Dame pulling at his coat-tails, and asking him who he was and what he thought he was doing, while I was seeking to attract her attention, and explain. Having first ignored her, and then got his pictures, he turned on her the same Harpo Marx smile as he had directed at Hubert Hartley; and, blandly raising his shabby hat, sought to apologize for the liberty he had taken. His English was atrocious; and the Dame barked: "Are you a German, or what?" This time it was Moholy who looked like flying into a rage. Hissing once again at the Dame, "We are authorized!" I seized Moholy by the elbow, and dragged him away.

He would never preserve any photograph of a person who had become aware that he or she was being photographed. If his target happened to look round a second or two before the shutter clicked, Moholy would turn away, saying irritably, "He is schpott!" snapping his camera on in readiness for the next exposure. Throughout our three memorable penetrations from the outside world into Eton, I only remember him using his Leica, which was then regarded as a miraculously modern apparatus. He had with him a larger camera in reserve, but it was on the Leica that he chiefly relied, and with the Leica that he was in love.

We used to compare notes at the end of a day's hunting, so to speak, in Windsor over a cup of tea; before he caught his train back to London, and I drove my modest subaltern's car back across Windsor Great Park to Aldershot. Reviewing the day's events with Moholy was like reviewing each stand at a pheasant shoot: he would recall the birds he reckoned he had missed, and the birds he hoped he would find that he had brought down, when he came to develop his negatives. Every now and then, in despair at the inadequacy of his English, he would flail with his overcoated arms, and say: "It is all a question of light and shade!" In all, he took more than 400 photographs good enough to be enlarged from his tiny initial ones. From these 400 we jointly

selected—and a miserable task it was—the final choice of 56 to illustrate the book. I begged him to allow me to preserve a few more, to be bound in an album to be presented to the School as a record of the era, but he would not have it: he was fearful of flooding his market.

I saw Moholy only once after we had finished working on the book, and again the occasion was embarrassing. He had invited me to visit in London his one-man Constructivist exhibition. Thinking no evil, I begged permission from Wavell for an afternoon off, and duly went to London to see it. I found myself the only person present apart from Moholy himself. He welcomed me warmly, and showed me round, in person, this extraordinary assortment of what, to my Philistine eye, looked like a series of Meccano models amounting to an orgy: dripping water, flashing lights, marbles running down inclines to set off little trip-wires with unexpected effects.

I stood goggling, unable to dream up any worthwhile comment, until Moholy, still in his shabby hat and flapping overcoat, suddenly realized that it meant nothing to me, laughed, let me off the hook, and led me away for a drink. I never saw him again.

In the autumn of 1937 I sailed with my regiment for Palestine. The book appeared in time for the Christmas market at what was then the astronomical price of fifteen shillings. It was well received, especially the photographs. The shortest and most succinct review appeared in *Time*, and consisted of a single sentence: "Author Bernard Fergusson left Eton nine years ago, and has not yet recovered." But *Time* reproduced a dozen of Moholy's photographs, which (I like to think) did him no harm; whereas in Britain the book received some sort of award for being, like the best-produced books of the year, a feather in the cap of mythical John Miles.

Moholy and I exchanged mutual congratulations by post about the success of the book; and that, alas, was our last contact. "John Miles" was a casualty of the Blitz, when the Simpkin Marshall warehouse and offices (so I understand) were destroyed. I was abroad for most of the war, in the Middle and Far East; and when I returned and sought to renew contact with Moholy, I heard that he had died in Chicago. Not until then did I realize that I had been hobnobbing unwares with a celebrity. I had thought of him and still think of him, only as an extraordinarily nice man, an extraordinarily nice man. I am beginning to wonder what he thought of me.

### Sir John Betjeman



Alpha, Beta and Gamma talking across the road after Schools. Notice the white bow tie worn for examinations.

The distinct variety of English publishers was the chief charm of Edwardian book production. It continued into the twenties. The "Chats" series by Arthur Hayden, an old friend of my father, published by T. Fisher Unwin Chats on old Clocks, Chats on old Chafing Dishes, Chats on anything. There were sparsely printed books of memoirs by doctors, lawyers, politicians and explorers, and hereditary peers, on thick paper with wide margins and large type, for dowagers to read without their spectacles. These were published by Eyre, Nash and Grayson.

Then there were my favourites Seely Service and Co, who specialized in regimental uniforms and pond life. But one of the most mysterious of the publishers was John Miles. Whether he had a moustache or pince-nez I cannot be sure, and how he got on with the other members of his firm who were at Simpkin Marshall, I do not know. It had always been my ambition to appear under an

obscure imprint, or with Rivingtons, originally High Church and later wholly educational. So, when a letter came from John Miles, one of these obscure, polysyllabic firms, I could not resist the temptation offered me by its signatory, Mr Harry Paroissen, to write a book about Oxford, packed with illustrations. It was the illustrations which tempted me, for Harry had a gift for layout, and the look and feel of a book, and so, I thought, did I. There were to be photographs, and this, alas, meant shiny art paper, but the text could be on rough paper, and a variety of type faces displayed. There could be wide margins such as would have pleased Hamish Hamilton in his youth, and Eyre, Nash and Grayson in their middle age, and we were allowed the use of black letter type such as might have pleased Caxton, in the headings.

Osbert Lancaster did some particularly brilliant caricatures of Oxford types: learned lady dons on bicycles; swells in the Ballingdon Club, and scrawny undergraduates grappled, their spots; the master of Balliol waiting to

post a letter; ladies flat on punts; people browsing in Blackwells; and everywhere bicycles. Where certain noble, and then unfashionable, buildings had been omitted, photographs were specially taken by Miss Joan Eyres Mossell (Mrs Leigh Fermor) and others. Which pictures should be big, and where placed in the text, was, I think, determined by Moholy and Harry Paroissen. My own text was designed to be entertaining reading only, and useless in the examination industry. Now that I see it reprinted, I notice what an advantage it is to have the paper all the same quality and without that sickening introduction of shiny art, though the binding is distinctly inferior to the earlier book. In 1937 we were all very Left (Parlow Pink in my case) and of course Morris Cowley had to be mentioned and a special section by Ernest J. Marsh called "An Industrial Worker at Oxford" was included. Perhaps it greatly enhanced the book as a social document. At least there was the merit of early enthusiasm.

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Edward Bradley (1853), mixed in very well with those of Osbert's drawings. But the chief illustrations were photographs taken by L. Moholy-Nagy, a member of the Bauhaus. He was a huge man with a constant smile and shaped like a large, oval water beetle which suddenly comes to the surface and dives out of sight. Moholy (Mowli, as my wife called him) had a Leica and rushed about frenziedly photographing everything he saw. At Encaenia, when honorary degrees were given to distinguished persons, my father-in-law being one, he became particularly excited. The result of Moholy's clickings was hundreds of little prints measuring about one square inch, and from these he selected those which were to be enlarged.

That was where his genius lay. He knew just which to choose, showing the beauty of crumbling stone, the crispness of carved eighteenth-century urns, and members of the public who were being unconscious they were being photographed: undergraduates scratching their spots; the master of Balliol waiting to

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This was in 1962, and Josephine du Maurier asked, most justifiably, "is Lionel Davidson today's Rider Haggard?" It was not until 1966 that he gave the answer. No, because *A Long Way to Shikoh* added a new dimension to his writing. It had ceased to be a "writing story," a "human story," a "Mervyn

The Lion of St Mark—from *Celtic and Anglo Saxon Painting*, by Carl Nordenfalk, one in a series of large paperbacks, splendidly illustrated in colour, with *Later Antique and Early Christian Book Illustration* by Kurt Weitzmann, and *Carolingian Painting*, by Florentine Mutherich and Joachim E. Gaehde. Chatto & Windus, £4.95 each.

**Jan Stephens**

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So this same legacy is not perhaps altogether his answer to the problem that the phenomenon of the Nazis faced us with (and still does every name those charming engravures crowds appear on the box, not wires, *nos semblaibles*) but parts of that answer, sprigs of hope and illumination. And even the funny bits. Because in the history of a law-loving English solicitor who gets sucked into condemning the worst of Nazism through a huge complicated legal action there are both passages that are funny to laugh at and passages of remarkably effective sombre reflection. Faced with its enormous task, one perhaps not yet surmised by any author, the book is not, I feel, a complete success—the symbolic scheme takes some 300 pages, and it is to be praised that one's instinct is to forget the elements of failure altogether.

The letters exchanging information that make up *The Natural History of Selborne* were written in two parallel series, to the naturalists Thomas Pennant and Deaines Barrington, between 1767 and 1787. Those on the *hirundines*, or swallow family, were read to the Royal Society, and the whole collection published as *The Natural*

How many of the foreign reviews quoted in these four volumes fall under that last comment, the reader will decide for himself. The first three volumes were published in Penguin nearly ten years ago and are now reissued. The fourth, *People's China*, was first published in the United States in 1974, the editorial tone being one of high hopes springing from the cultural revolution, though admitting that a falling back from the ideals of the upheaval were unavoidable.

To be described as "nice" means, in a fellow enquirer, that he is accurate, sensitive and sympathetic. (Thomson of *The Seasons* is "A nice observer of natural occurrences.") Thomson is the most sensitive and sympathetic of all the poets, and the quantity of his brother John in Gibraltar, from whom he received regular information of the fauna of Andalusia, and on the migrants crossing into Africa, and the police reports on autumn and spring, for migration is the central mystery of the country curate's life. It is his obsession. He believes, but cannot prove, that many swiftnets are lost and maimed when leave Britain at all, but hibernation in a state of torpor out of sight. No firm evidence of swallows in hibernation has ever been discovered, says Thomson, but may he suggest that White's observations will continue to enthral and delight whether or not it ever is.

## Michael Ratcliffe

Let Wilson's account of the Land War be the best for the general reader. It does not exaggerate the epic; it reveals the communists'—and especially Mao's—weakness in the early 30s so before the retreat from Kiangsi began. It shows how the communists sum up the legacies that the march left when the struggles all finished up in Hunan. A communist party leader, and brother-in-law of the Russian tsar had emerged as a self-confident, disciplined body, thinking and behaving in Chinese ways, quite as capable as the things he was writing were imperatives as if of being about social revolution. That was Mao's great achievement in the '40s and nothing more afterwards bears comparison with

## Richard Harris

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## Gardening

## Geraniums red

propose to look at the true geraniums, the ones which are known as the hardy geraniums, and I feel they are as often as

at the taller border I would make my "Johnson's Blue", in plant with large grows about 18in. is a good weed, but like most of the geraniums it needs the few twiggy sticks.

the blue-flowered we have the "Buxton's Blue". A favourite of Mr. T. Johnson's, it is a very tall, 18in high, with flowers for many years.

the genus pelargonium has many varieties, some are poorly known. There is "G. macrorrhizum" with white flowers, and the form "Ingwersen's" is the scent of sweet

of course, a great many varieties of geraniums. There are the "poppy", "ginger", and "camphor" varieties. The arrangement of the leaves which not only look like an ivy, but they smell like ivy. This I have to be very odd, never come across in that shape and the shape and the other geraniums are in the main sequence, but they rowing in a green room for their foliage alone.

mostly vigorous unless pruned. They can grow in pots, but for this always a good idea, few cuttings, each is easy enough to root very easily using cutting mix.

tern varieties of pelargoniums are did. Most of them in California. It is probable that the "brooke" with a tch, a British variety of the founders of the American pelargonium.

"Caribbebrook" is a "Ballarina", is a showy grey is the American. With all pelargoniums, one should be in removing and all fallen leaves or leaf or flower that is discoloured or abnormal. Pelargonium in a fairly dry moisture in the and of course they are regular apply 10 days or so of tiller.

geraniums vary in their habit, shapes, plants, to be a little giant

and leggy. Among my favourites are "Grand Slam", cherry red and purple bloom, and "Lavender Grand Slam", but there are many more in a bewildering range of colours and bicolours, right down to deep crimson, purple, and almost black, as in "Burgundy", "Zulu King" and "Jack Knight".

The zonal pelargoniums are those which flower much more continuously and which we see bedded out in our public parks. The semi-double red "Gustav Emsch" which, for so many years, has graced the beds in front of Buckingham Palace, is still a splendid variety, resembling the old single "Paul Crampel" which shed its petals more quickly.

The ivy leaved pelargoniums are, of course, still among the finest plants for tubs, window boxes and hanging baskets, as they may be planted upright or short sticks or allowed to hang down and break up the severe lines of their containers. One ivy leaved variety of which I am very fond is "Elegance", which has green leaves with a white margin which turns pink in warm weather, or if the plant is slightly starved in its container. The white flowers touched with reddish purple are small but produced quite freely. There are varieties of pelargonium with bicoloured or even tricoloured leaves, the most popular probably being "Mr Henry Cox" with green, gold and bronze leaves.

Recently we saw at a Royal Horticultural Society show at Westminster a selection of miniature pelargoniums which will be on sale next year. These I would think are derived from the old "Black Vesuvius" and "Salmon Black Vesuvius" varieties with almost black foliage, raised towards the end of last century.

About twenty years ago I came across a greenhouse full of coloured forms of these dwarfs in a small nursery in Holland, and after much difficulty persuaded the owner to part with some. I gave them away eventually, and I was intrigued to see this nice collection at Westminster back in June.

The way prices continue to rise I would suggest that it will pay to keep old pelargonium plants over from one year to the next, and indeed to bring in some new ones in the summer. You can pack a lot of pelargoniums into a frost free small greenhouse or conservatory.

Hayward's most entertaining, and in some ways his most influential, discovery concerned the forgeries of Salomon Weingarten. This architect, a discharged criminal, was set up by his relatives as an antique dealer. In the 1860s he got in touch with the priest who was in charge of the Spiritual Treasury of the Holy Roman Empire in Vienna. The collection, mainly viennese, pieces from the Middle Ages, was still at that time kept separate from the Kunsthistorischesmuseum, as it was considered a collection of relics, and therefore a church preserve. Weingarten, who won the priest's confidence, was given one piece at a time to be restored.

He made a brilliant copy of each one, setting the originals for a high price. The priest, who was given back a fake in each case, was delighted with the experience of the restoration. Weingarten, he felt, had made them look almost like new! Weingarten's deception was never discovered in his lifetime, but Hayward has been able to list all the things he faked.

Roy Hay

## A genius at making money for others

John Hayward, whose majestic book *The Virtuoso Goldsmiths* has just been published by Sotheby Parke-Bernet at £48, is not only an international oracle of the art world, on a par with Sir John Pope-Hennessy and David Carrivatt. He has probably made more important art discoveries than any expert of his generation.

He recognized an anonymous bronze that was brought into Sotheby's as a Callini figure of 1600; it sold for £34,000 in 1968. He identified a rock crystal plaque which had hung in a London antique shop as one of a set by the great crystal carver Giovanni del Bernini; it fetched £16,000 at auction.

Another piece of rock crystal, a bowl in the collection of the Schatzkammer at Munich, had been associated in legend with Henry VIII and Holbein. Hayward followed up the story and tracked down the bowl in the royal inventory of Henry VIII. After that he traced its whole history: how it had been sold after the execution of Charles I, how it had been represented in paintings, Willem Kalf while it was the property of a seventeenth-century Dutch antique dealer, and how it had ended up in the Schatzkammer.

He was able to prove that a group of silver gilt tazas, about 1580, which were universally believed to have fake bases, in fact had their original bases; one of them, which was offered to him for £2,000 (he could not afford it at the time), was later acquired by the Minneapolis Institute of Arts for \$50,000. Even Austrian scholars accept that Hayward was responsible for the "rediscovery" of Du Paquier's porcelain, on which he wrote his first major book in 1952. He also virtually put on the map Christoph Fuhrologh, a London furniture maker of Swedish origin. "One of the most exciting moments I've ever had," he wrote, "was when I was walking through a gallery there and I saw a commode and I said to Michael Webb, who was then head of Sotheby's furniture department, 'I think that might be a Fuhrologh.' He worked on, because I was looking at the sculpture there. But he set to work, took out all the drawers of the commode and examined it, and found it was signed and dated by Fuhrologh, which was most exciting, because there was only one signed piece by him known."

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Several of Hayward's discoveries are illustrated in his new book, *The Virtuoso Goldsmiths*, a volume of 750 pages. It is the culmination of years of pioneering work on Mannerism, the sophisticated perverse interpretation of Renaissance style which determined the taste of customers and fashion in the goldsmiths' workshops for nearly a century from 1550.

I think Geraldine Norman (then Geraldine Keen) gave the best definition of Mannerism in 1970, when the National Gallery acquired a painting by Bartholomaeus Spranger, a leading Mannerist artist whom John Hayward admires, and of whose work he has an outstanding example in his own house. "In the last few years," Mrs Norman wrote, "interest in Mannerism has been growing steadily. In the achievements of artists who concentrated on starting and original visual effects—the 'manner' of painting—rather than on the spiritual or emotional content of the work." It is a style which leads to artful embellishments and wild fantasias.

John Hayward is an unlikely apologist for such a style. He is unobtrusively and quietly spoken, with a very humour, sometimes formidable silences, and the cautious, measured delivery of a man on whose verdict hundreds of thousands of pounds may depend. Until you know him well, he is a delightful raconteur and raconteur to the art of a daunting range of centuries—there is a certain opaque quality to him, which perhaps derives from his days as a wartime interrogator, when he was Special Operations Executive (SOE).

He was born in Hounslow in 1916, son of an army musician who taught the oboe at the Royal Military College of Music. At St Paul's School, where Arthur Grinewald, now Christie's chief silver expert, was his exact contemporary, he was already a collector of



John Hayward examining a Renaissance tazza.

arms and armour, another of the subjects on which he is expert. He would break bounds in the lunch hour to go out and buy an antique sword. At Magdalen College, Oxford, to which he won a history scholarship, he was still collecting armour: "There was always some concern that my oak-shoulder be spurned on Bump Supper nights in case my fellow oarsmen should invade. I had quite an armoury," K. B. McFarlane, the great medievalist, was his tutor, but the two did not get on very well. "I was not a medievalist. My interests, kindred, as it does today, with the Renaissance, the beginning of the modern world."

He joined the Indian Civil Service, but because he showed a too eccentrically enthusiastic interest in European armour at his interview, failed to get in. Instead he obtained a job in Courtland's economic research department, where he worked from 1937 to 1939.

Wrongly thinking that war was going to be disastrous immediately, he joined the Territorials in 1939 shortly before the war began. He was posted to a "sound location" site, helping to guide guns on to enemy aircraft. Later, through former associates at Courtland's, he was appointed to the German section of SOE. He had a cloak-and-dagger war, firing out agents with kit and false documents. He was a human form, partly simplified, partly ennobled. It represented the heroism and superior birth of the warrior. And so to all his other studies.

All the books he has written have been based on things he has collected. When I've moved on to another subject, I have often sacrificed the previous collection, or part of it, to acquire the next one. This is largely because I am interested in studying pieces not only for their aesthetic appeal, but also for whatever historical associations they might have. That has always been an excitement to me, to acquire an anonymous object and to work out its history. Sometimes the thing drops into one's lap, like the Cellini, and sometimes it takes years.

Bevis Hillier

## Radio

## Dreaded dramatics

*Cambodia: Cry of a Nation* suffered badly from lack of accuracy and first hand reporting. Presumably there is simply not enough material available to make up a straight documentary, so John Tusa and his producer, Keith Hindell, were left with no alternative to the dramatized form. It is a method much beloved by radio, but one which in all its applications—lives of the long dead, famous trials and that kind of thing—almost never manages to sound anything but unreal. This occasion was no exception.

I don't know what you do about it: it is possible to write a documentary script like this and fill it out with dialogue and make it work? The whole nature of the documentary requires that the dialogue make certain points that it should lead by a preordained path from situation A to situation B. It offers little chance to create, let alone develop, character; it allows for no dramatic shape or imperious and on top of that, with all respect to the other excellent qualities of men like Mr Tusa, dramatic documentaries are not usually written by dramatists. It might be better if they were, except that as a form dramatists are not much attracted by them. So I shudder when I face dramatic documentaries: where their purpose is to recreate a trial, then my advice would always be to hand the whole thing over to Edgar Lustgarten and let him do it as a solo act. Other topics perhaps need to find his equivalent.

To be fair to *Cambodia: Cry of a Nation*, it in fact survived the dreaded dramatics quite successfully, not for anything particular in the writing but because of the awful tale it had in tell. If there is a mad dog loose in your back garden, then the message tends to get through, no matter how unremarkable the language in which it is conveyed. Certainly the behaviour of the revolutionary equivalent of a whole pack of mad dogs has broken loose in that unfortunate corner of South-east Asia. If such reports as come out of Cambodia are even half true, then the behaviour of the Khmer Rouge since their victory must rate as amongst the most barbarous in a century which provides quite a lot of competition.

Perhaps one of the more depressing features of their conduct is to hear repeated assertions that although the Revolution has "failed" in Russia and now in China, they will be able to make it work. It seems that the only conclusion those who assert that sort of thing can draw is that past "failures" were the result of taking insufficiently draconian measures. The Khmer Rouge can rest assured that no one will ever be able to accuse them of that. Is it a million, or two million, who have died, butchered or starved or tortured or worked to death? The

Head of State seems not to be unduly worried either way. It is after all in the cause of the Revolution which the Khmer Rouge seem to pursue with an unsmiling, stony brutality not actually unknown among those who at different epochs have possessed the One Revolutionary Truth, but were distinguished by a quite peculiar quantity. In time they too will fail—for what comfort that is to those who have to live with them—and when they do, will the lesson have been learnt? Or will there be another gang of rose-red incorruptibles waiting in the wings? They, of course, will know exactly where the Khmer Rouge went wrong: they were a bit too kind.

Barry Berman's *Inventions for Radio* were another 10 or 15 years before an attempt to catch and distill the essence of certain experiences—religious love, aging, dreaming. Three of them are being repeated on Radio 4 at 10.15 of a Sunday, beginning last week with *The Dreams*. Perhaps the most striking thing on rehearsing this—at least from a professional listener's point of view—is that this kind of work has had no follow up. Subject to correction, I think you can count on the fingers of one hand the programmes since which have adopted this technique, using the voices of ordinary people recounting their experiences, copying and cutting them together so as to create rhythms and repetitions, the final speech track being set to a background of electronic sound.

Why has Mr Berman had no successors? Did he leave nothing more to be said? It may be that in a way he did, or more accurately, that the genre which he handled so expertly is not quite as pregnant as it sounds. My reaction to it last Sunday was brilliantly and I remember it from before: initially one of intense interest and excitement, a feeling of impending revelation in the face of an experience captured so tellingly. Yet 15 minutes into the program, there seemed to be nothing very new to report and so it went on. Though the sections or movements had different themes, there was little variation of treatment or pace atmosphere; the evocation of the past was so brilliant and with such immediacy that the start was now simply being sustained unaltered and I was becoming just a bit bored. Nevertheless, as 15-minute trips, these *Inventions* cannot be too highly recommended and you may not, after all, share my lack of endurance. I ought in any case to be careful of dwelling on it, in case the new helmsman of Radio 4 should take it as plea for an increase in the more-but-shorter pattern of programming now in operation—a pattern which should not go much farther or it will turn Radio 4 into one huge hors d'oeuvre without main course or pud.

David Wade

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## Travel

## Taking the waters to Istanbul

apid, often unruly, as waves of the Bosporus contrast to the calm waters, which, immemorially have

if the former are backed with silver, the latter are hidden, flowing and after rippling in the Bosporus, they are finally stilled in the cisterns.

Istanbul's hydro-arrangements look like that of a heart: a thin capillary is formed by the hillsides separating the Horn from the Marmara. Not only rivers were imprisoned but springs were captured and brought to the Bosporus of which there are seven, first built by the Byzantines in a group north-east of Istanbul at the edge of the forest, and all renovated, restored and added to by sultans and emperors. These last were often good administrators—especially the Sultans Valides, mothers of the Sultans.

All through the land, trees and water are rejected in particular on the high plateaux of Anatolia where they are rare and therefore precious. Invariably this combination creates a centre much appreciated by the Turks. Hard chairs surround small wooden tables, raki, coffee and glasses of water are the typical accessories to village life, as its gossip, centred as often as not, on an open air loquat. A low fountain is always nearby, often embellished by a slight Ottoman design or a verse of the Koran.

The second intercession of water is a Soutzeraz. This is a kind of pillar for drawing up water, already known to the Romans as Libanena. Aquas.

The third intercession is a marble basin called Taksim, which is a derivation of the Arabic word kasseneh, meaning a vessel.

The Taksim of Pera built by Sultan Mahmud II in 1732, and the Taksim of Selim III near the Armenian cemetery of Sourp Agop, North and east of Istanbul, too, about 14 kilometres away, and in combination with the Beas, a group of aqueducts, as well as fountains, the importance of the Waters. This is the fourth intercession.

There is something very dramatic in these aqueducts, without which the Polis would have died of thirst; now, of course, they only enhance the scenery, humanizing the hills, a frame for rivers which like Byzantium, change their names radically with the times when the Ottomans. Could anything be more different from "Cydras" than Ali Bey Keny? Nevertheless this is the river over which Justinian built his aqueduct (Maglova Kemeri), the most picturesque of the six, because it is irregular. Built with two superposed series of four great point arches, it also has—at each end—smaller arches. The five piers are buttressed, themselves pierced by three small superposed arches. In the high summer, the light shimmering mercilessly, an illusion is created: through this slight irregularity in the design, the aqueduct seems to be dancing along. It is not the longest (225 metres), but it is certainly the most elegant.

The long aqueduct, nearly 750 metres in length, is duller to look at: it carried the waters from the forest of Belgrade as far as Santa Sofia through the reservoir of Uygur.

The Beas aqueduct has this peculiarity that it is built in two sections, forming an obtuse angle: it also took the waters through Pyrgos to the Taksim of Aya Sofia.

Lastly, in Istanbul itself, spanning Pera across the Horn, through its two tiered colossal arches and bridging Ataturk's boulevard stands the Taksim of Valide's Aqueduct. The Emperor built it to join the

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## Weekend

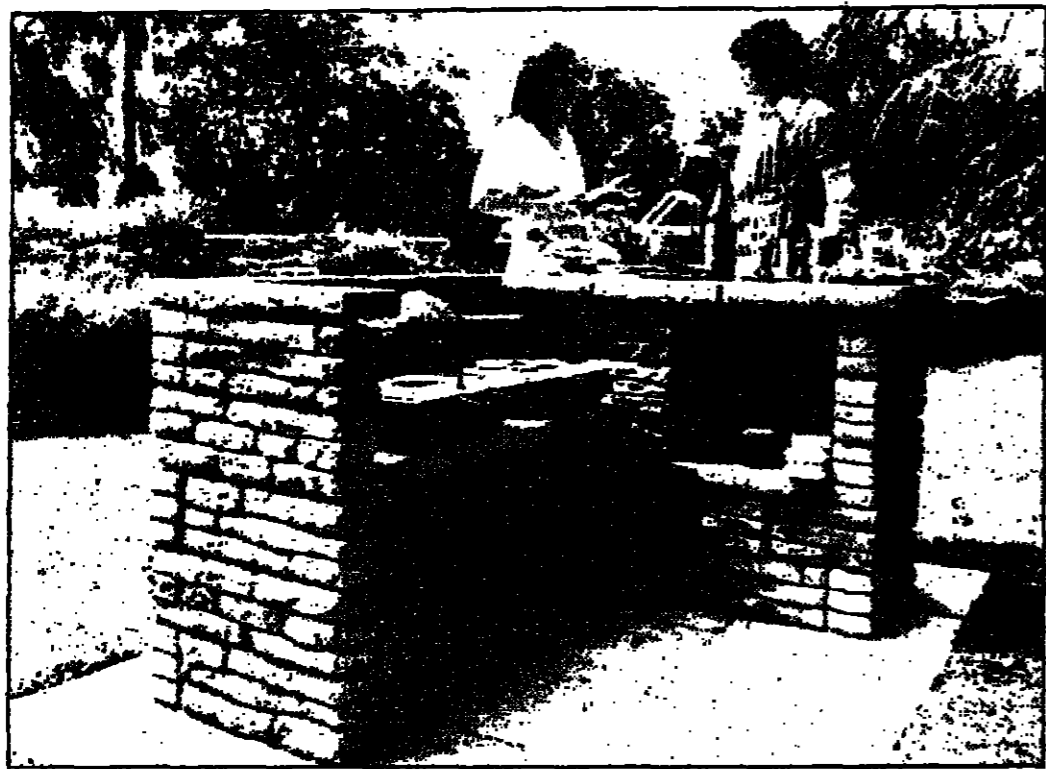
## SHOP AROUND

Sheila Black

The best barbecue I ever saw, or worked at, was at a friend's home in the South of France and it was so good because it had been built into a wall at just the right height and with the right sort of protection from prevailing winds and the like. Bradstone does the same sort of thing over here, with complete kits to allow the barbecue to be built on a terrace or paved platform. They look great—Bradstone is the firm that made its reconstructed stone famous—and they are thoroughly efficient. First, the Cherokee at about £76 including VAT at 8 per cent. This one gives you cooking space plus a recess in the stone wall for plates and dishes. The Apache (£135) is for large appetites and large parties, with a double barbecue cooking unit in a larger stone unit with extra working surface for plates and with a good recess, which can be used for dishes or spare charcoal. You can use just one grill at a time if half the party eats or light up both for the multitudes and the extra hum (£75.50) is de-

signed for sites that need to be against an existing wall but it can also be freestanding. It has the same grill or cooking unit as the Cherokee but no recess so that plates are on top of the work surface. You can build every one yourself and the kits contain even the special mortar. The effect is of stone slabs and the massive heavy base stones of the cooking area blend in with the Cotswold stone effect. I must add that the firm selling them, Bradley, has been selling self-build fireplaces for years with terrific success and this is obviously a well-tried system. Their Cotswold paving is excellent, with a rough non-slip surface and with an aged but country look. The "bricks", in natural stone hue, are narrow and just like hewn slabs of stone. Make them easily into seats, walls for pots—and even pots, or at least plant holders. A kit for a complete seat is £29.16 including delivery in England and Wales. Even the shades of their walling blocks for large building sound tempting—Cotswold, North Cerney,

Horniton, Dartmoor, and Ham Hill in a light rust brown. The shades are subtle and may vary from one batch to another which makes them look even more like the quarried or rough-hewn original rather than excellent reproductions. Their latest techniques give weathered finishes in various shades, and these look really mellow. They use several pigments to create this realistic effect—at the Chelsea Flower show the weathered walls looked wonderful in the Whitten Garden. Stockists are plentiful all over the country and they will supply barbecues and seats directly from E. H. Bradley Building Products, Okus, Swindon, Wiltshire SN1 4JJ. Practical leaflets about the three barbecues—ask for Bradstone Barbecue kits data—and the standard seat. If you plan paving, walling or similar major tasks, then ask for data about other products and the name of your nearest stockist. You will be dealing with a fine and established company in the West Country.



## A shocking way to kill insect pests

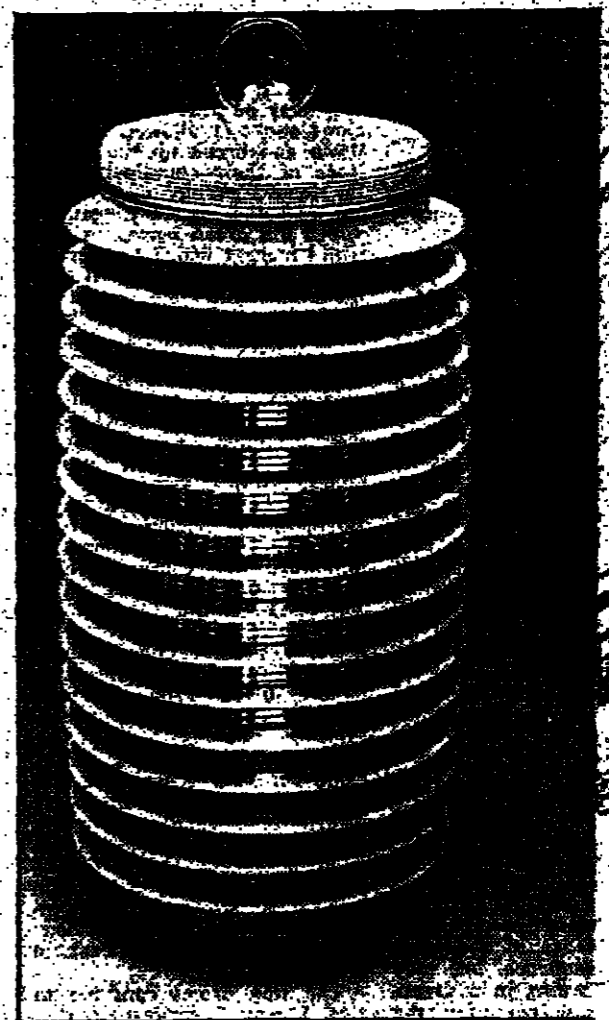
To kill insects by electric shock may strike some people as cruel but, if they pause to think how instantaneous such death is, and how poisonous so many insects can be, they might realise that these new killers are humane. Apart from any suggestion of germ-carrying or of poisoning air or plants, insects can be a blasted nuisance, spoiling the whole idea of sitting out on lawn or terrace on a summer night or camping or fishing or bird-watching or anything else.

Mr Neilson, of Solid Waste Combustion, made a study of these exterminators and decided to import an American brand—there are British makes but most of them cost more. Solid Waste's Flowtron is a very good one, a lantern in design that looks like any garden or porch light, framed in black aluminium with a brass holding connection to attach it to a matching bracket—or you can hang it in the porch by a chain if you prefer. It runs off the household electricity and is weatherproof. A fine aluminium mesh protects the electrocution chamber from prying fingers. Incidentally, it should be connected to an earthed supply, but then unearthed systems are rare these days. There have been only satisfied customers during the year Flowtron has been available

and it uses just about the same current as a standard electric bulb. Obviously, you would want to leave it on all day to keep away insects entirely because they fly at noon and in the early mornings as much as at night. Siting the Flowtron is important and you should consider your insect avenues carefully. It gives a bluish ultra-violet light which attracts the flying pests (but birds cannot get into the mesh and are not attracted). As soon as the flyers touch the electrified grid, they die.

It is a thoroughly clean and efficient system, being much used in food or other factories where hygiene is essential. Retailers are installing them too. The domestic version is fairly recent but is just the thing for night entertaining or garden life. The lantern costs £58.10 including VAT at 12½ per cent, which seems to me a pity since these hardly come into the luxury class. The address for direct sales and for information about larger, industrial models (about £122) is PO Box 23, Pinner, Middlesex HA5 3YN (01-868 1795).

While in Israel, I discovered the Katlan, a neat and lightweight little plastic louvered tower about 11 inches tall and illustrated here. This one has a jack to fit into the cigarette lighter of the car, battery or other camping power supplies and it costs about £15. Pale grey, compact and tough, it is great for outdoor dwellers but will kill in more localized fashion than the eternally-burning porch light. Katlan also make other models for homes and gardens or industry and you can get all the data from British Israel Trade Services, 8/12 Brook Street, W1. Distribution hopefully is just beginning in Britain.

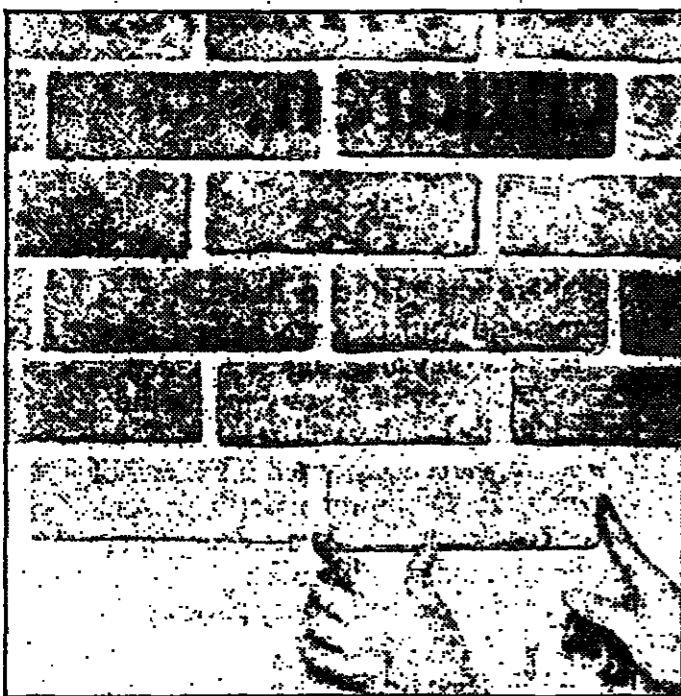


Katlan

For handmade shoes that are still made by craftsmen, on the premises and from a range of lasts that is a sight to behold, go to James Taylor of 4 Paddington Street, London W1M 3LA (01-935 4149). I found my visit a real education as well as an interesting if brief glance at history as I studied the old, old ledgers of this company founded in 1857. The names of the history books are there, along with shoes, handmade to measure, costing sums like £7 or less.

Some cobblers work downstairs, although many of them like to work at their own workshops at home. In the basement, you can see the thousands and thousands of named or anonymous lasts as well as the hides of leather and suedes waiting to be made. The smell is marvellous.

Just before the First World War, there were more than 300 custom shoemakers in the profession's association—today there are but six, no longer making button boots except for fashionable models, but making shoes for those aching ceremonies that involve long hours of standing. They specialize in making for difficult feet where one might be misshapen or of a different size. They are very good about advising customers on whether they might claim national health rebates and suchlike—many genuine cases get such help and go to Taylor for the most comfortable footwear they can find. A pair of shoes costs from about £100, according to the type of leather, style, finish and other requirements. The fittings are done with care, and there are those who order one pair a year to build up a wardrobe of comfort. Do not run away with the idea that handmade shoes are ugly. At Taylor you can see pink sandals or blue formals; red shoes for dancing all night or black sensiblers for day. The famous who give receptions and functions love them and the foot comfort they offer. While many whose worst foot faults arise from Ascot and such exhausting meetings also go to Taylor. I would if I could. Comfortable feet are happy feet and unhappy feet make unhappy or agonized faces and ruin the entire day.



To lay Fashion Bricks indoors you need little knowledge or experience of bricklaying—just the commonsense to keep reasonably straight. You do not need to carry hods or heavy slabs. All you need to do is buy the Ucan Fashion Bricks which are slabs of real brick but only 1-inch thick so that you can stick them to the wall like thin tiles and they stay there—the sticking-on is by means of a layer of the special Ucan adhesive mortar. The result is a very good effect, especially if, when the "brick" is stuck on to the mortar you have a kind of ooze of mortar around it to fill the gaps between the bricks which can be laid close or wider apart as in the photograph. They are heat-resistant and non-flammable so that you can use them around fireplaces or anywhere else in the house. Clean them with a cloth and snappy water. Choose either red, white, yellow or pink.

A pack containing enough bricks to cover about four square feet costs £4.15. There are stockists galore and you can write to Ucan for their names at Ucan Ltd, 11-13 Old Esder Road, Hershaw, Surrey KT12 5PT. (Walton-on-Thames 28921).



To my mind, some of the best plastic furniture in the world comes from the Italian company, Kartell. You will probably have seen it in Habitat and other shops but now you can see almost all of it at the address of the distributor for Britain. The name is Promoter and the address is 53 Paddington Street, London W1M 3RQ. If you prefer to shop at home, send 50p for the catalogue including postage or call for one for 30p. The furniture is strong and hard, durable as few plastic pieces are. The gleam and the vivid colour or the simple white and the stark black are chic. The surfaces wipe clean to a gleaming state in no time. The ash-

trays are hard and burn-free. The storage units can be built up one at a time. And the whole series is really good for nurseries, young people's rooms, utility rooms or suchlike and quite stunning in home, offices, studies or garden rooms. Our photographs show a chair which is incredibly expensive because of the comfortable moulded shape and the long life it gives—it is £129 unless you warrant contract prices for numbers. The other photograph shows you some of the accessories in the spanking whiter than white. The lamp, for instance, on the right at the back. That is £11.35 and you will love the opalescent glass that holds the bulb and nests on a white

plastic ring—or a red, green or black ring. Two, three or four of these lights can nest one above the other, firmly and safely, to form a tower of light. It stands firm at all times. Then, in front of it, is an ashtray that costs only £7.50 and will keep your room free of the sight of smoking cigarettes, to say nothing of the smell. Stab the cigarettes into the holes and they are automatically extinguished. The fluted rim makes a lying place for them during the smoke. It is a gem, this one, in white, black or red.

The other objects are a combination cocktail or drinks set, and so ingenious that it will be fun just to show people. The larger, oval ice

bucket at the back on the left features a hollowed handle in which fits the ice tongs, seen here at its feet. There is a nest of canisters for nuts and things, with a lid which is also yet another dish if you want. Then the tall, cylindrical cocktail shaker.

The whole cocktail set is £16.20 and you can rarely buy an ice-bucket on its own for that price. Washing up is easy and they come out pristine. You will also fall for tall cylindrical ashtrays at £8.50—again indestructible in other materials. These have tops like square mesh for stubbing the ends. Coffee tables are also good and simple, from about £22. And I love the drums with sliding "doors" that

make storage units and s above the other to make shelves of storage units for of odds and ends and paper for tools, sewing, handcrafts bedside bits and pieces and a three-drum cupboard, about £25.50. Very simple and smallish chests of drawers easy action are £32. So you once you accept the specialist a special chair, you are in yourself in for expensive. At Promoter's shop in P Street you get intelligent, w personal service as often as a cup of coffee. But buy the because the permutations binations will surprise you.

The pens and pencils, plus the invaluable scissors, are all handy in a white mug on my desk at home. The mug is suitably decorated with a cutting from *The Times* of Friday, August 14, 1914, proclaiming that "The King and Country need you"—these can be bought still at the Neal Street warehouse, 29 Neal Street, London WC1 as well as in some other gift shops. The wooden spoons in my kitchen are in an earthenware cider mug and the oddments by my bed in a pretty, rose-covered beaker. Doreen, my office aide at *The Times*, is much more modern and organized with a Tidy Tub, shown here with a flower comb, lipsticks, eye make-up, soft brush and jewelry. Her pens, pencils and rubber stay perfectly organized in the six tublets. These plastic whatnots are in six colours black, white, tangerine, blue, red and olive green. The apt name is Tidy Tube and I cannot think of a better one for schools, homes or offices. They are in the Plaidium range, cost about £1.50 each and are available from most large stationers.

John Lewis and larger Boots stores. For squares with tidy habits, there is a squared version called—wait for it—the Allweeknol Multi-Purpose Holder and I do feel they might have thought of a simple name for a simple device. The holder—I cannot go over all that again—is in orange, yellow, brown, red or bottle green, measures about 15 centimetres square, has five containers of varying heights and costs about £1.98. It can be bought from larger Boots stores. Enquiries to Kean Leisure, 83/89 Uxbridge Road, London W5 7TS. (01-567 6284).

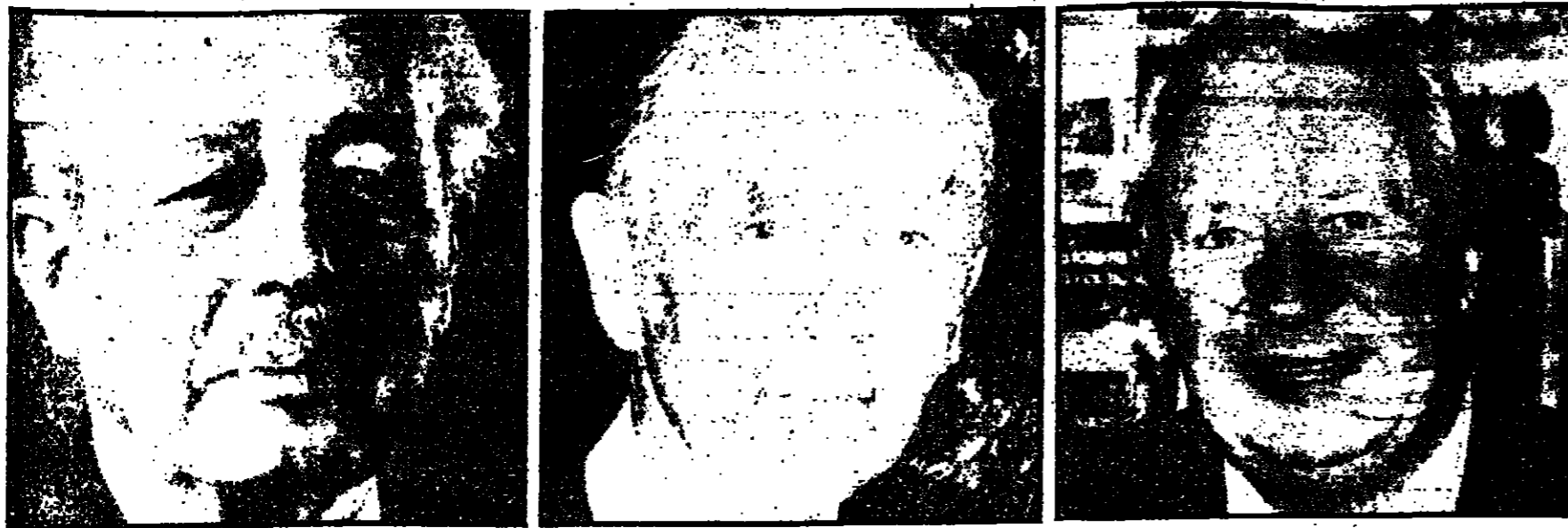


Having said so much jams, jellies and p especially as Christmas presents, I should a the Boots department are selling decor preserving jars with and flowers in botanical-pictures st have the special Le sealing and clip top are mostly made Le Parfait although are some smaller Ital which also seal by m the special Le Parfait rings to make sure y airtightness. The lit are around 85p an 1-litre 55p.

SUMMER SALE!



## George Hutchinson suggests a way of investigating Sir Harold's complaints



## Three Just Men who can get at the truth behind the security row

Most of us would agree, I take it, that former Prime Ministers, as a class, are entitled to a rather special measure of public respect. That respect is normally accorded to each and every one of them and seldom withheld. Equally, former Prime Ministers are expected to behave with dignity, and usually do so. The exceptions are very rare indeed.

These reflections are prompted (as you might imagine) by Sir Harold Wilson's recent conduct. He has provoked both indignation and disquiet by his aspersions on the security services, one in particular—aspersions intended for publication. What he has said was not said by chance or accident, but deliberately: he is not the unfeeling victim—the innocent casualty—of some awful misunderstanding. He did what he meant to do. He set out to disparage, discredit and belittle the intelligence departments—

for publication. A public row was bound to follow.

Why did he do it? We do not know, but may hope to discover—although to some extent this depends on his successor, Mr Callaghan. If Mr Callaghan were to institute the right sort of inquiry, he would probably receive the right answer. But will he do so?

By betraying a convention (or should I say obligation?) Sir Harold Wilson has damaged the reputation of the security services, at least in some minds and for the time being. No doubt they will recover, and will deserve to recover. But the present (if passing) injury is indisputable.

In all propriety, Mr Callaghan should resolve to establish the truth, however unpleasant it may prove. Of course one recognizes his predicament, and can sympathize. To a great degree his troubles as Prime Minister are not of his own making, but may be ascribed to Sir Harold Wilson.

Sir Harold has left in his wake a trail of doubt and disorder. He is arraigned by former members of his Downing Street staff—and compounds their revelations with fresh "disclosures" of his own. If it can be said of anyone, it can be said of Sir Harold Wilson that he is his own worst enemy.

What is to be done about him? How should this affair be handled, rare and exotic as it is?

The answer, surely, is that his allegations should be tested by his peers, as the Spectator has argued this week. It is not true of Lord Diplock and other members of the Security Commission. No one else can know what former Prime Ministers know.

Nor does any law lord know Sir Harold Wilson as his old parliamentary colleagues know him. Lord Diplock, for one, is no more than an acquaintance. If that, Mr Macmillan, Lord Home and Mr Heath have all spent years in Sir Harold's company.

nobody else possesses, the knowledge essential to a full understanding and evaluation of Sir Harold Wilson's complaints.

This is not true of any High Court judge, however eminent. It is not true of Lord Diplock and other members of the Security Commission. No one else can know what former Prime Ministers know.

Nor does any law lord know Sir Harold Wilson as his old parliamentary colleagues know him. Lord Diplock, for one, is no more than an acquaintance. If that, Mr Macmillan, Lord Home and Mr Heath have all spent years in Sir Harold's company.

Confronted by a court or committee of former Prime Ministers, representatives of the security services would, moreover, feel able to speak with total freedom. They would be addressing people who already understood the exacting nature of their work and were aware of their record.

Mr Callaghan is himself an admirably good terms with the chiefs of staff, who naturally take a professional interest in the work of their lesser known and more mysterious colleagues. He would please them all if he were to order a thoroughgoing inquiry into Sir Harold Wilson's accusations.

Nobody could conduct such an inquiry more speedily or effectively than the three former Prime Ministers, if only because they know so much already and would not require the tutoring and briefing that others would need in order to understand the security services.

Much if not most of the essential knowledge is stored in their minds. In this context they might rightly be called the Three Just Men. They are exactly—uniquely—suited to the sort of investigation that Sir Harold Wilson has invited.

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## ECT can work miracles, but only with the right patients

The articles that have appeared on other pages this week (the fourth and last yesterday) show that ECT (electric convulsion treatment) is still controversial. Yet most people working with psychiatric patients, the patients themselves, and their relatives would say that ECT is effective, safe and not painful.

These people would receive plenty of support for their view from the medical literature. Of all the treatments in medicine and surgery for serious, life-threatening diseases it must be the safest. The mortality rate is about four to nine per 100,000 treatments. The risk of side-effects is also very low, far lower than for the less effective anti-depressant drugs. The effectiveness of the tricyclic anti-depressant drugs (that is, the percentage of patients in controlled studies showing improvement) is about 50 per cent, but for ECT it is 75 per cent. Persistent memory disorder, a side-effect often alleged by doctrinaire opponents of ECT, has very little documented support provided the treatment is given to the right patients. Just because it is so safe, doctors have used ECT in the treatment of severe depression that often accompanies serious heart disease and heart surgery.

If ECT did not work, it would have been discarded, like the whirling chair, long ago. But one of the more surprising facts in psychiatry is that in spite of the introduction of powerful anti-depressant drugs in the late 1950s—the "tricyclic" antidepressants (Tofranil, Tryptol) and the "monoamine oxidase inhibitors" (Parzone, Nardil and Marplan), all names of pills that many people will at least have heard of if not swallowed—the use of ECT has not diminished much.

The figure given in the second of the four articles, 100,000 treatments a year, cannot be disputed. At the common rate of six treatments a course, this means about 16,000 patients a year. Surely if the harmful effects attributed to ECT were generally experienced by patients having it,

more would have been heard of them.

The classic setting for the use of ECT is endogenous depression. In such a case, cyclic anti-depressant pills may work in a few weeks, especially if the case is moderate to mild. But if they do not work, or if the symptoms are too severe at the start of treatment for one to expect them to work, the average psychiatrist would prescribe ECT. It would be more confident of helping if the patient were to be deluded with ideas of ruin, guilt, poverty, terrible diseases. The more severely ill the patient is, the better ECT works, something that can hardly be said of any other treatment in medicine.

Give me a patient 10 days after she has given birth to a healthy baby, when she is not eating, hardly sleeping, sunk in unimaginable gloom, convinced that other patients are saying dreadful things about her; and that her baby is deformed and mortally infected by venereal disease. (This is a not uncommon state of affairs), and I would be surprised if after five applications of ECT she would not be vastly better and soon able to go home.

Such cases, a psychiatrist's bread and butter, not uncommon and utterly convincing, still seem miraculous. How can Mrs X, an elderly deluded, agitated, pathetic, thin wreck have in the course of 10 days, and after four treatments with ECT, become a smiling, friendly, controlled person, interested in the progress of other patients?

The severity of the depression is of the essence. Other types of depression, people with depressive reactions in unchangeable circumstances, chronically anxious people and most people with schizophrenic illnesses, do badly. People who are not ill but have personality disorders do worst of all, and provide the anti-psychiatry movement with much of its ammunition.

But the successful cases, the seeming miracles, which the public seldom hears about, make one contemptuous of the trivial, querulous protestations

of those who have no severely depressed, suicidal man, about peering himself with poison, strike a man down about mental illness who presumes to criticize who try to help patients from it, would a conviction if they first hand—or at least hand—experience of it. To consider the argument that most of the one would excise a seriously out of balance author's grudging, a hat ECT might do some things like ritual harm to the idea of the symptoms, and the admission of other toms—tension, anxiety, cal fear—the likelihood of success, and the greater the of of disorders—confusion, depression, depression, depression. Regrettable many is suitable: people are fully treated with the practice of using unwelcome patients. highly successful treatment. The danger is not restrictions on cause psychiatrists to it altogether.

Dr Allan

## 56 years on from another royal visit to Ulster, little has changed

On the evening of June 21, 1921, *The Times* correspondent in Belfast looked out of his hotel window and watched hundreds of people strolling through the streets of the city's centre admiring a vast display of decorations. As he watched, the numbers diminished until the streets were empty except for a single figure held at gunpoint in the gathering gloom by a foot patrol.

The man was allowed to pass on his way after satisfying the soldiers that he had a pass permitting him to be on the streets after the start of curfew. The journalist turned away and filed his story describing the scene in Belfast on the eve of the state opening of the first Ulster Parliament by King George V and Queen Mary.

Like the Queen 56 years later, King George travelled to a province divided and beset by communal strife. The whole of Ireland in fact was then stained by the bloody struggles between the forces of the Crown and Sinn Féin. Two Parliaments had been created by an Act in 1920 and a few months after the King's visit partition would be finalized.

Ulster's new Parliament actually began work on June 7. As had been expected Sir James Craig, the new Ulster Prime Minister, sent a telegram to the King asking him to formally open the Parliament, sitting at that time in the City Hall in Belfast. The next day the King sent his acceptance and preparations began.

If security experts are worried about the Queen's visit one wonders what their predecessors felt in 1921. On June 18 Dublin Castle issued statistics—not unlike those that emanate from the Northern Ireland Office today—on the results of violence in the preceding 18 months. The figures showed over 600 courthouses and police stations had been destroyed while 371 policemen

and 130 soldiers had been killed.

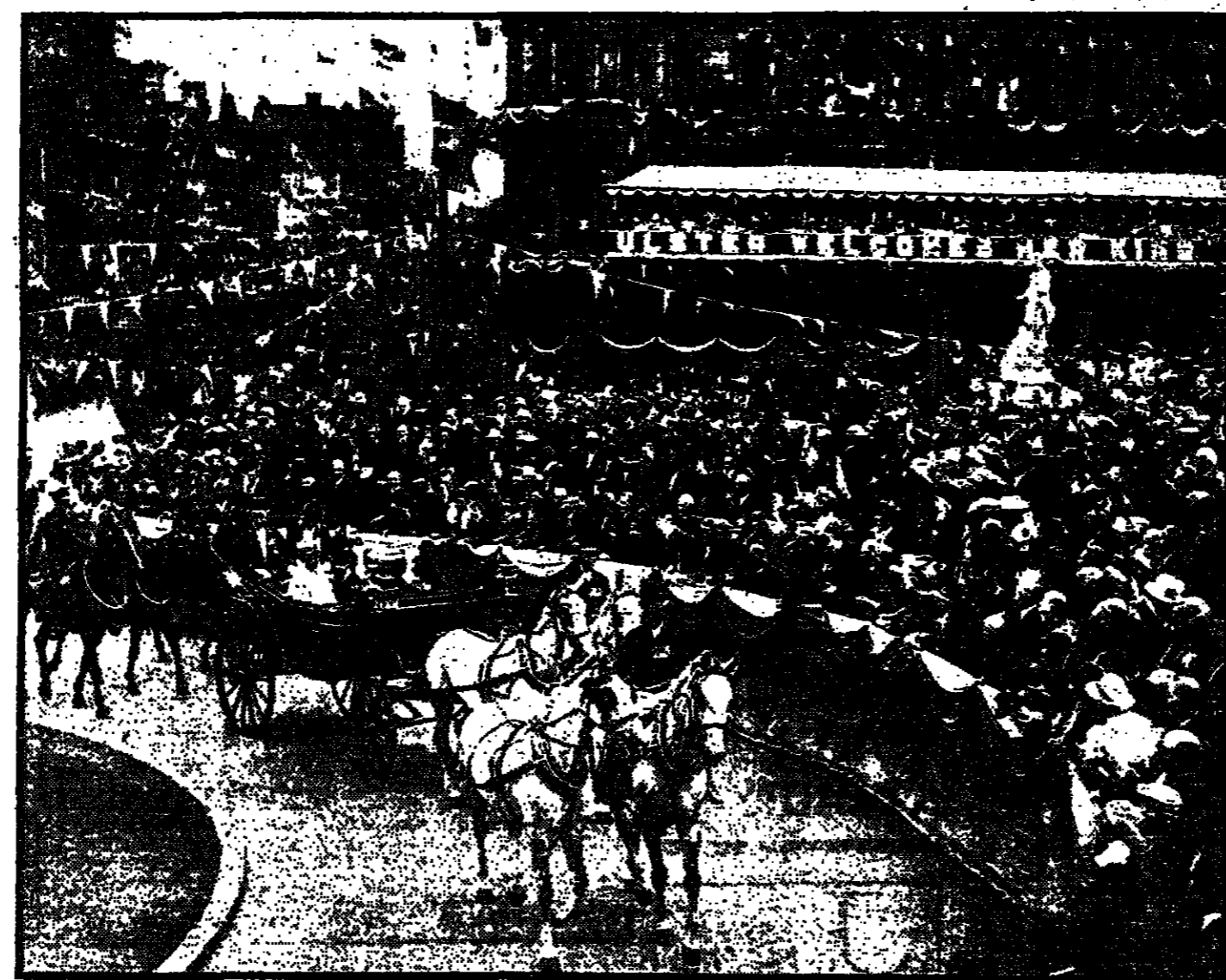
One Irish newspaper estimated that 705 civilians had died between January and the middle of July. Each day the newspapers carried details of an attack here or a raid there. The names of the streets involved in Belfast or the villages in the countryside are again familiar today. Sometimes there were incidents which now seem comic like an IRA raid for bicycles in county Down and the retired major at Daisy Hill, co Tyrone, who was kidnapped, sentenced to death but freed because two of his guards decided to let him off.

But there were more serious incidents as the King's visit drew near. The worst was the riots in the Falls Road area of Belfast after three Roman Catholics were mysteriously taken from their homes and shot.

As the end of the disorders seven people in all were dead. Local newspapers told of nightly snipings and bombings. When the riots were debated in the Commons a few days later, with claims that the three Catholics were killed by British agents, Sir Harman Greenwood, Chief Secretary of Ireland, read to the House a telegram received from Belfast describing the city still in the grip of turmoil.

But no one seems publicly to have expressed any fears that the violence could reach to the person of the King and Queen, although a private warning by two Irish leaders was passed on to the Government by *The Times*. *The Westminster Gazette*, described by a Belfast morning newspaper as "radical", suggested the King should not go but the reason was not security. *The Gazette* argued it was wrong for the Crown to interfere in Irish politics at that point in time when its good offices might be needed later.

Certainly no chances were taken. The IRA was active in London—the Press Club of the day was attacked one night in



"Kingly ceremonial" in Belfast: this photograph was flown to London on June 22, 1921, for the following day's *Times*.

June—and the railway line from London to Holyhead, where the royal yacht awaited, was lined with men every few hundred yards as the royal train set off on June 21. By this time several hundred London policemen had arrived in Belfast to join specially chosen members of the Royal Irish Constabulary.

Troops who would line the route of the royal procession had also arrived and were bivouacked on the city's outskirts. On June 18 Belfast newspapers carried, alongside advertisements offering window space to see the procession pass by, an announcement from the general commanding the area. Belfast was to be an open lair for the royal couple on June 22, no one was to be

on any of the city's roofs on that day and all public houses were to be closed until the evening.

Accompanied by two battle-ships, two light cruisers and nine destroyers, the Victoria and Albert, the royal yacht of the time, set sail.

As the ship crossed the Irish Sea the Government of Lloyd George defended its policy in the Lords but *The Times* said afterwards: "They held out tonight but a prospect of continued repression. It forms a dark and negative background to a picture in which the only relieving feature is today's august and kingly ceremonial in Belfast."

And indeed it was. Riding in an open lair the royal couple drove through a city trans-

formed to "unparalleled splendour" watched by thousands of jubilant Unionists. Cheap excursion rates had been offered by the railways to bring people from the countryside and this swelled the crowds.

At City Hall King George made what has become a very famous speech. He said: "I appeal to all Irishmen to pause, to stretch out the hand of forbearance and conciliation, to forgive and forget." The speech, prepared on the advice of General Smuts in the light of *The Times* warning, is said to have moved public opinion throughout Britain.

A few hours before Eamon de Valera, later to become president of the Irish Repub-

lic, had been arrested in Dublin by soldiers unaware that orders had gone out to leave him free. He was released as the ceremonials began in Belfast.

The correspondent of *The Times* wrote, suitably, that the security measures taken did not seem justified in the event. Perhaps there were no incidents because the nationalists knew time was on their side and negotiations were near. But then partition was a fact, an unpleasant one which had to be fought. Maybe the security arrangements were simpler and more effective in an era before the radio-controlled bomb and the portable rocket launcher.

Stewart Tendler

## The day the Swiss let their hair down (four times every 100 years)

Charlie Chaplin is quoted as saying after the last Fête des Vignerons in Vevey in 1955: "In the whole of my life, it is the most beautiful thing I have seen in Europe." Was this a rave notice from the heart, or merely a famous foreign resident encouraging the locals? After all, who could possibly be that special about a wine-growers' festival in a quiet Swiss town on Lake Geneva—especially one that takes place only four times a century?

The Vevey festival has been more spectacular than most ever since the middle of the seventeenth century, when the confraternity of the local Abbey of Saint-Urbain took to discharging its priestly vinegrowers in the area who, by way of celebration, paraded through the streets of the town. By the mid-eighteenth century it was already an important national event. In 1955, half a million people came to it from all over the world.

Preparations began four years ago, when a local poet, a composer, a designer and a theatrical director were approached by the organizers and asked to dream up a completely new spectacle of dance and song, based on the four seasons, that traditionally forms the centre-piece of the festival.

Then, late last summer, the search began for the 4,000 local inhabitants who would eventually dress up in all manner of traditional and symbolic costumes, and perform in the 15 shows and four parades that take place over the fortnight of the festival. Chosen by hands from all over the Canton of Vaud started rehearsing the traditional marches and specially composed score. Tailors and seamstresses as far away as Paris and London set to work on the dozens of elaborate costumes.

In January, engineers began to construct the massive arena that looks like a sloping vineyard and seats 15,000 spectators at a time. Extravagant floors were built; cows, sheep and dogs were chosen for their docility, looks and stage presence; hundreds of props were made from gigantic masks on wheels and a 20ft-high wine press, to bees' wings and snowflakes. Hundreds of flags were hung in every street, and complicated parking plans laid.

For months, the lucky participants—architects, bank clerks, housewives and schoolchildren—rehearsed their various roles. Every one of the 225,000 show tickets was sold. Finally, the great day dawned—cold, grey and wet. Yet despite the drizzle, the town was alive with colour, noise and movement. Silver bands in brilliant medieval costumes marching towards the arena, spectators, jostling and staring, armoured horsemen clattering through the streets, swarms of children dressed as flowers, and a fleet of fashionable lake steamers, disgorging passengers at the quay, bronzed young men in gold cloaks carrying off the sun.

At eight sharp a cannon boomed, a bust fell over the

The King the Fete invited us to join it but few accepted would have been intrud

huge crowd, the Swiss in brilliant red made the arena and, as if by the rain stopped. First came the act of the 175 specially vinegrowers in whose the whole thing was held. What followed it a triumph of imagination, discipline, theatricality. The of the Fete, a splendid in gold, summoned breath-taking scene another. From all sides dilly dressed groups by view, danced, sang, reg and made their w through the spectators there seemed to be a costumes in the stands were raincoats.

At last, after three half hours, all the part gathered in the arena and frolic. The King in all to join in and tread sure or two, but few at. It would have been it The Fete des Vig Despite its size, is not specially for the tourist very much a private affair the locals for the local the orchestra is professed everyone else is in it of the place. The cost £4.50 is underwritten by banks and businessmen costumes are paid for performers themselves. Friends of mine recently bill for £375. Many of use up their holiday time in it.

And through it all, Vevey carries on much usual. One quickly used to being served in by an eighteenth-century waiter, or hosted at a street by a half-naked shante on motor scooters as the town's wine-lots are jammed to the with costumed locals amazed visitors, lowering ing draughts of the local. The next fete would place in the town's square. It's not 2002, but will see the Swiss letting hair down.

Christopher Matt

## Somebody somewhere is waiting for a message from the US

The idea of taking a gramophone record aboard a spacecraft may not sound too unreasonable—astronauts are, after all, human and may well wish to spin a disc as they relax in orbit. But what if it is an unmanned spacecraft, going not into earth orbit but to the outer reaches of the solar system and beyond?

In that case, perceptive readers will be asking already, who will play the record? According to the United States National Aeronautics and Space Administration (Nasa), Possible Extraterrestrial Civilizations Who Might Intercept The Spacecraft Millions Of Years Hence—that's who.

No Monty Python script this, but the plain truth. Aboard Nasa's two Voyager spacecraft, soon to be projected from Cape Canaveral towards Jupiter, Saturn, Uranus and points beyond, the infra-red interometer, spectrometers, photopolarimeters and the like will be accompanied by a Columbia Records LP called *Sounds of the Earth*.

It is a rather unusual LP whose

contents, Nasa declares, were assembled by A Group Of Prominent Scientists And Educators. The contents include not only sounds but also pictures—the assumption is that if the Possible Extraterrestrial Civilizations receive the instructions on how to play the thing ("using the cartridge and needle provided") they will also be smart enough to translate some of the electronic information back into pictures, not just sit there listening to the first movement of the Second Brandenburg (opening item in music section).

One of the pictures, our more perceptive readers may already have guessed, will be of a Message From The President. This is a chatty "Hi there, whoever you are" type of note, which explains that the United States is a community of 240,000,000 human beings among the more than 4,000,000,000 who inhabit the planet Earth.

"This is a present from a small distant world, a token of our sounds, our science, our images, our music,

our thoughts and our feelings. We are attempting to survive our time so we may live into yours. We hope someday, having solved the problems we face, to join a community of galactic civilizations. This record represents our hope and our determination, and our good will in a vast and awesome universe."

Mr Carter adds his White House address at the bottom of the note, just in case there is any reply. Also depicted on the record are views of the Taj Mahal, Oxford, and Sydney Opera House, a supermarket, the Great Wall of China, and a forest scene with mushrooms; human sex organs, a tree toad, and an elephant; and a group of sprinters—with Valeri Borzov of the USSR in the lead. (To name but a few; there are 115 pictures in all.)

As for the music, a 27-item programme will keep the Possible Extraterrestrial Civilizations interested, if not confused, for almost 90 minutes. After the Brandenburg pieces include a Pygmy girl's initiation

song, *Johnny B. Goode* by Chuck Berry, Melanesian Pan Pipes, *Melancholy Blues* by Louis Armstrong, the first movement of Beethoven's Fifth, a Navajo Indian Night Chant, a Peruvian Woman's Wedding Song, and *Dark Was the Night* by Blind Willie Johnson.

But, before they get to the music, the Possible Extraterrestrial Civilizations will have sat through spoken greetings in 55 languages—including Welsh, and I should think so, too.

Then, inevitably, what is described as *A Sound Essay On The Evolution Of The Planet Earth*. Here the audio soundies include the sounds of crickets, frogs, a chimpanzee, rain, volcanoes, footsteps, heartbeats, laughter, Morse code, a horse and cart, a train whistle, the lift-off of a Saturn 5 rocket, a kiss, and a baby.

Also on the record are a United States congressional list, and a spoken message from Dr Kurt Waldheim, Secretary-General of the United Nations ("We step out of our solar

system into the universe seeking only peace and friendship...").

The launching of this bottle into the cosmic ocean, according to Dr Carl Sagan, astronomer, of Cornell University, "says something very hopeful about life on this planet". It says something about Dr Sagan, too; this particular bottle was his idea.

Why a record? Because it carries much more information than, say, a conventional plaque, says Nasa—also, it just happens to be the centenary of the invention of the phonograph record by Thomas Alva Edison.

When the Possible Extraterrestrial Civilizations do play the disc, they ought to listen very carefully, in the background they may well hear another "sound of earth"—that of a human tongue being placed firmly in the cheek.

Kenneth Owen

the long line of mediators between Israel and the Arab. Cyrus Vance was in Alexandria earlier in the week to have made a breakthrough of sorts. President Carter endorsed, and indeed took the copyright of, a proposal to publish a week or so after the Israeli foreign minister Moshe Dayan: that the ministers of the parastates in the Geneva Arab Peace Conference sit together when they work next month for the United Nations assembly, in order to proceed to the conference as stood adjourned (November, 1973).

Vance was to learn, not already know, that such diplomacy is a ladders game. For in the Thursday President sent him slithering down the line. "We are not in the benefit of the working arrangement," said the Syrian foreign minister negotiating with Geneva. Why should they with something

plaining that the proposed working group would not actually be composed of Israeli and Arab foreign ministers, but could be a "purely Arab body to intensify consultations between the Americans and the Arab foreign ministers on the one hand and the Israeli foreign minister on the other". This was in clear contradiction of what Mr Vance had said, and Mr Sadat had been understood by everyone present to endorse, at a joint press conference in Alexandria two days earlier.

"As long as the foreign ministers are going to sit in Geneva when the Geneva conference is convened," Mr Sadat had said, "they should discuss this matter together."

What is "this matter"? What are the "procedural issues" which require so much preliminary groundwork? There is only one of any importance, but it is so important that it is not really procedural at all. For how it is settled must bear profoundly on the substance of the negotiations. It is, of course, the question of Palestinian representation. Israel rules out any separate Palestinian delegation at the conference, and any formal representation of the Palestine Liberation Organization even within the Jordanian delegation. Mr Begin in Washington expressed his firm refusal to negotiate with an organization whose "design is to destroy our country and to destroy our people". He would negotiate only with "accredited delegations of sovereign states". The

Israelis are procedural. They know that a Palestinian delegation to negotiate in the Palestinian creation of remain implausible.

President Carter's difficulty with a Palestinian Bank of the Middle East could and should be linked to the Palestinian issue. Why not advance and Jordan delegation on the face of it—but perhaps can persuade the mind. The New York—Washington—would forum in which could be ex-

Jordan, S itself, each taining a job they also h doubt "whet easily be p one, given h given to the West B Mr Assad's York meetin would eithe meeting w itself becom Geneva is ur his desire before emb negotiations, chance of result he ca

discoveries of oil west lands provide a useful resource already . Their impact is likely two kinds. They will encourage further in of the area, which up a depressing reprieve of a series of oil drillings. They will this country a better between the various oil which we produce, it now has been concerned exclusively at the higher grade end of the . The discovery of heavy in the Shetlands could a first step on the road to sufficiency in oil in the event of another by traditional product could have considerable importance.

west of the Shetlands one of the more zones of exploration present date. They are unsuccessful attempts to are before the current many companies perhaps, becoming in the area held little at attitude will now we may expect to see burst of activity from panies.

i, however, be wrong that the discoveries be made will result dramatic increase in the size of our proven reserves. It is most unlikely that the area west of the Shetlands will turn out to be another North Sea. Instead, it is likely to turn out to be well under a quarter of the size of our already known fields even on the most optimistic forecasts. There could be very substantial reserves off the coast of southeast England, but the latest discoveries ought not to mislead anyone into thinking that merely because an area might contain oil that it will contain oil.

Perhaps more important than the sheer quantity of oil which has been found is the type. The heavy grade which seems to be flowing from the new field commands a lower price in world markets than the high-quality crude of the North Sea but its value should not be underestimated. For certain products, heavy oil is necessary. Although our production by the 1980s ought to be enough to make us a net exporter of oil, it has been expected up to now that we should still have to import heavy crude in quite substantial quantities. This would be necessary to provide a suitable mixture of different kinds of oil for our refineries. If the new discovery turns out to be large we may find that we are able to meet our own needs of virtually all types of oil.

for power needs to have  
ligence operation and  
ocratic country needs  
that it is kept under  
political control. The  
reports that have come  
Washington in recent  
the way in which the  
Intelligence Agency has  
d its affairs, culminat-  
the latest absurdity of  
the effect of drugs in  
have been disturbing  
reasons in particular,  
uggested an excusable  
dible judgement, that  
those who took respon-  
for such activities and  
so implied a lack of  
control.  
organization of Ameri-  
cance services an-  
on Thursday by Presi-  
arter is intended to  
a more coordinated  
e. The new director of  
A. Admiral Stansfield  
who bears no personal  
or the errors of judg-  
ment to light, is to  
a full regulatory con-  
activities of the National  
Intelligence and the National  
Intelligence Organization. In  
there is to be within  
ional Security Council a

new policy review committee,  
chaired by Admiral Turner,  
to define the priorities and evaluate  
the results of all United States  
intelligence operations.

Just how effective these  
measures may be in securing  
unified control may be ques-  
tioned. There is an impression  
of a compromise that has  
stopped well short of integra-  
tion. But then there is a limit  
to how much streamlining may  
be desirable. It would be pos-  
itively damaging if it meant that  
alternative sources of informa-  
tion were blocked. Moreover, a  
powerful case can be made for  
separating control of the infor-  
mation-gathering of the intelli-  
gence organizations from their  
interventionist activities in  
other countries. If the same  
people are responsible for both  
there is always the danger of  
this distorting the assessment of  
information. The purist might  
say that there should be no  
such interventionist activities,  
but it would be an unrealistic  
doctrine to propound total  
abstention in this field or such  
a power as the United States in  
the world in which we live.

What is necessary is that all  
intelligence operations should be  
conducted with more judgement  
and discretion than has always  
been shown in the past.

George Coyder  
 Rereading last night  
 Julien's great book on the  
 of the greatness of the  
 and their decadence, I was  
 by the following passage:  
 "There are bad examples which  
 the great crimes. These States  
 rushed through the violation  
 of moral standards than  
 the breach of their laws."  
 "The Government has just  
 d from the citizen the right  
 old the moral law in the  
 having already done so in  
 cepture. Presumably this has  
 none in the name of liberty."  
 The truth is that it has been  
 licence, and licence, and  
 and legalized licence. On the  
 other hand, whenever an  
 al seeks to draw attention to

Israelis are digging in on this procedural point because they know that an independent Palestinian delegation could only negotiate in the name of a future Palestinian state, and to the creation of such a state they remain implacably opposed.

President Sadat believes that this difficulty can be got round. A Palestinian state on the West Bank of Jordan, he thinks, could and should in practice be linked to the East Bank, that is, the Hashemite Kingdom. Why not recognize this in advance and have a joint PLO-Jordan delegation? Mr Begin, on the face of it, has ruled this out—but perhaps the Americans can persuade him to change his mind. The "working group" in New York—or perhaps in Washington—would be a suitable forum in which this persuasion could be exercised.

Jordan, Syria and the PLO itself, each for a slightly different reason, are all against having a joint delegation. But they also have good reason to doubt whether Israel could so easily be persuaded to accept it. Even Mr Begin's oft-stated hostility to withdrawing from the West Bank on any terms.

Mr Assad's fear that a New York meeting without the PLO would either lead to a Geneva meeting without the PLO, or itself become a substitute for Geneva is understandable—as is his desire to be convinced, before embarking on direct negotiations, that there is some chance of them producing a result he can accept.

This would, of course, have particular significance at a time when our access to oil from abroad was at risk. It would enable us to withstand either an essential embargo or the threat of an embargo, though it would also give us obligations to our partners in Europe not to abuse our privileged position. This advantage is perhaps more important in the long term than the additional benefit to our economy.

That benefit, like the benefit given by the resources of the North Sea, ought not to be overestimated. Although the discovery of oil gives us considerable help in trying to solve our economic problems it will not of itself do so. The impact on the balance of payments will be considerable, but it will not remove the need to pursue economic policies which will put our foreign situation first. Indeed, there is a risk that, wrongly used, the oil would turn out to our disadvantage by encouraging us to relax prematurely under the false belief that our economic problems will go away. There does seem to be some evidence that the Government is aware of this danger and wishes to avoid it. A necessary component of doing so is to realize that although new finds may be significant, one more oilfield does not make an economic miracle.

That is one reason why effective political control is so important. The structure needs to be such that the President can exercise proper supervision and needs to have the will to do so—whereas a number of recent presidents have been guilty of omission as well as commission. The key question about this reorganization is therefore whether it will make it easier for the President to satisfy himself that all is well. It is no use supposing that intelligence operations can be checked by the normal methods of democratic scrutiny. The exposure that the public suffers in a democracy is gone so far as to undermine the confidence and to impair the necessary functions of the agency. It may have helped to diminish those running this and other intelligence agencies that there are certain standards, of common sense if nothing else, that do have to be maintained. But to open the books like that is to insure political accountability, which is the risk in the first place of an active and responsible President. By streamlining the structure of command beneath him these changes should have made it rather easier for him to fulfill it.

which makes self restraint possible. What our libertarians are doing with their claim to allow the few to exploit the many in the name of liberty, is to make the continuance of democracy in this country impossible, by removing its foundation, which is self restraint. If we do not give credit where credit is due, it is not the Kenneth Tynanos of the John Mortimer's of this world, who are helping to safeguard our liberties but the Mrs. Whitelaws, with their call to a modicum self restraint for the sake of the weaker and lower paid members of society.

Yours faithfully,  
**GEORGE GOYDER,**  
London.  
Northfield Greys,  
Kenley-on-Thames,  
Surreyshire.  
August 1.

From Mr. Donald Davies  
Sir, The President of the National  
Farmers' Union, Sir Henry Plummer,  
in the letter published by you on  
August 3, was concerned with the  
possible effect on agriculture  
continuing in North East Leicestershire, and Mr Reynolds Stone wrote  
to you (August 4) about the need  
to protect the landscape. The  
National Coal Board are deeply  
concerned with the possibilities  
towards both these considerations  
as I believe our present proposal  
show.

The headline to Sir Henry's letter  
"Vale of Belvoir Coal or Farming?"  
might have given the impression  
that agricultural production would  
be seriously affected. This is not so.  
Although the new coalfield lies  
under an area of 90 square miles  
the total area of land that will be  
used for such operations will be  
less than 1,000 acres, and the  
crop; And of that amount, only 230  
acres, which are needed for the  
mine buildings, will be permanent  
in use for coalmining.

The remaining land will be  
not more than 770 acres, and  
more than 300 acres will be used at  
any given time, the remainder being  
available for agriculture or other  
non-mining purposes. Some of this  
land is not at present farmed, in  
fact 443 acres of the area needed  
at Sub-B, are now derelict.

There is no disputing the importance  
of food production, of course,  
but neither is there any question  
of the importance of energy supplies  
— and not least to the farming industry  
— for which the coal and gas supplies  
is a substantial user of Britain's  
primary energy supplies.

There is also the question of the  
comparative value of the yield of  
the land, used either for agriculture  
or coal production. Even if we take  
the most conservative estimate  
of agriculture and assume that all  
the land we need is of the highest

no intention of doing so), the rota value of agricultural output would be lost, for the most, on present money values, about £24 million. The value of the 500 million tons of coal is, on the other hand, about £10,000m.

Our proposals also prove our determination to have as little effect as possible on the landscape. A recent consultants' report published by the National Coal Board, and recently shown to us, has for example, stated that the proposed three sites which are not the best from a mining point of view. In fact only one, at Hosi, is in the Vale of Belvoir. The Asfordry mine would be very close to a site already in use for brick works, and the third site, at Searby, would have its tips on a disused airfield and near to former quarries. In fact, this site is described in the Leicestershire Structural Plan as "integrated".

It is impossible to argue, of course, that mining would have no effect on agriculture and the landscape, but we are certain it would be minimal.

Yours sincerely,  
DONALD DAVIES,  
Board Member, National Coal Board.

Mr. H. H. Hipsley,  
Governor General, SWL,  
August 5.

From Ms L. Wright  
Sir, I think justice would be seen to be done if the mining rights in the Vale of Belvoir were transferred to the Banabans.

Yours sincerely,  
L. WRIGHT,  
151 Lacey Road,  
Dringhouses,  
York.

From Mr Robert Wood  
Sir, Those involved in policy-  
oriented research in non-government  
organisations are disappointed at the  
new guidelines on "open govern-  
ment" as a step in the right  
direction. Apart from its other  
defects, the degree of secretiveness  
which exists in Whitehall makes it  
very difficult for these outside  
groups to contribute in a relevant  
way to decision-making.

There is, however, an unnecessary  
and undesirable flaw in the guide-  
lines, as summarized in your report  
(August 5). The options and facts  
upon which Ministers have to decide  
are not to be made public until  
when Ministers "have announced  
their conclusions" to Parliament.  
There are two important things  
wrong with this formula. First, once  
conclusions have been announced,  
it is impossible to mount an appeal  
for outsiders to affect the issue,  
however pelling their points, and  
however arguable the published  
facts and analyses may be. Second,  
too many decisions are simply not  
made public. The Greenest of  
Papers is no substitute for knowing  
what is being done and why.

Yours faithfully,  
ROBERT WOOD,  
Director, Overseas Development  
Institute,  
10-11, Percy Street, W1.

From Mr K. T. J. HOLL-ALLEN  
Sir, As from this month income  
tax is reduced by 1 per cent. The  
cost of reducing the tax is not in-  
considerable. Would it not be  
better to have left the tax as  
it was, and used the revenue pro-  
vided by the 1p to finance the capi-  
tal building programme desperately  
needed by the National Health  
Service?  
If the uncollected tax had been  
used for about four to five years  
ago, that the Government in  
power could have gone a long way  
towards completing a hospital  
building programme which has  
been considered, and in many  
places, planned adequately.  
I remain, your obedient servant,  
R. T. J. HOLL-ALLEN,  
Consultant General Surgeon,  
Solicitor, Hospital,  
Lodge Lane,  
Solihull,  
West Midlands,  
August 2.

Sir, I feel impelled to express my strong disagreement with the recent report of the Think Tank in regard to the activities of our Diplomatic Service and the other overseas activities included in this report. In a fairly long political career I have spent over five years as a Minister in the Foreign Office and six years in Home Departments. Since leaving the Front Bench I have been actively involved in travel abroad on behalf of British interests and have thus been able to make a personal study of the effectiveness of our overseas missions in serving the interests of British businessmen. Thus I have been able to see the picture from three entirely different angles.

It is probably true that some savings could be made on entertainment and that no doubt that the United States diplomats would welcome the opportunity to do less of this. I have myself suffered from three cocktail parties followed by an official dinner too many times to recall. By no means let us call for a moratorium on diplomatic entertainment, but do not let us act unilaterally. I would not have it said that Britain is the only country to recall by this means. Let us give our friends a drink. There are also one or two of our embassies which are larger than are needed at the present time. The one in Rio has already gone and the one in London is being sold. The days when that city was one of the most important centres of diplomatic activity in the world.

There are many others, however, which are no doubt larger than needed, but they are not being sold in those cities today but in my view it would be sheer folly to abandon them and move to smaller accommodation for our ambassadors. There might be some savings to be made by moving to smaller premises but the capital cost of providing alternative accommodation at present-day prices would be heavy and the total saving would be small. It is well known that the United States was active in seeking to prevent several such moves when I was in the Foreign Office. I did so on the basis of my convictions that the damage to British interests in the long run would be far greater than the saving to our Exchequer.

Since becoming involved in business I have seen for myself the advantage of maintaining a number of these embassies and of providing adequate hospitality for them. I believe that it is important to promote our export business in various ways. The total cost is not excessive in my view, and in most cases I believe that if we consciously diminish our status we can also diminish our business opportunities.

One of the most damaging part, however, of the report of the Think Tank is 'in relation to the activities of the BBC overseas. There have undoubtedly been times when the BBC reports have been over candid in countries where the rulers are very sensitive, and this has caused us to lose many friends and Governments. But by and large the BBC overseas service has been a great asset to Britain and it is acknowledged wherever it operates as being the most reliable and objective news service to be found anywhere in the world. I believe that it is certain that it is a detriment from this, and none less than in the developing world where it helps to offset a great deal of much more expensive propaganda from countries who are less interested in the truth.

So far as the proposals for merging the Diplomatic Service with our Home Civil Service are concerned I see no particular merit in that. I have a high regard for both but I see no particular advantage in bringing them together. Indeed, there are many in the Home Civil Service who have worked in the same abroad with the dislocation of family life that this can require. I would not be violently opposed to a merger if I saw benefit in it but I doubt whether a case has been made out for it.

There is certainly no advantage of saving the governments concerned where this can be shown to be needed, but on the evidence of this

From the Editor of Creative Camera  
Sir, All editors must sympathize  
with Harold Evans at his sense of  
outrage in securing a legal victory  
over a publisher who would not  
only have it snatched from his  
mouth by the NGA machine  
managers. But truly even more  
ominous is the statement in today's  
Times (August 1) by Victor Dunn,  
father of the chapel (office branch),  
that the NGA industrial group  
might not have been taken if they  
had known in time it was the  
thalidomide story. Is it to be taken  
as chapel policy that NGA chapel  
approved copy will not therefore  
be subject to industrial action?  
Yours faithfully,  
EDLIN OSMAN,  
Editor, Creative Camera,  
19 Doughty Street, WC1.  
August 1.

From Lord Taylor of Harlow  
Sir, The Darlingdon strike presents to the outsider an unusual feature in that both sides appear to have an overwhelmingly strong case. This is the classical situation for a fight to the death, or for a constructive compromise. A fight to the death would swell the newspaper and reduce the number of jobs for journalists, whether NUJ or otherwise. A constructive compromise is only possible when both sides are reasonably sensible, as I judge them to be at Darlingdon. At first sight, any such compromise will be disliked by both sides, but especially by the side which at any moment thinks it is winning. As in every other quarrel, the more intelligent protagonists has to do rather more of the giving way to a successful compromise, in which ultimately gives to both sides a reasonable feeling of victory. I suggest that the following proposals might be seriously considered by both parties. The management should accept the "post-entry closed shop" but for 95 per cent of their non-editorial journalists only. The

secured by winding up the activities  
of the Think Tank itself.  
Yours, etc,  
JOSEPH GODBER,  
House of Commons.  
August 4.

From Sir Derek Ezra  
Sir, The Report on the Review of  
Overseas Representation will be  
read with great care by all who  
are interested in the conduct of our  
overseas affairs. However, it will  
take time to read and absorb the  
442 pages and nearly 300 recom-  
mendations.  
Meanwhile, as someone who has  
been involved for many years in

First, it was disturbing to note that the starting off point in the Report was the stated failure of Britain to match up to the economic performance of other industrialized countries, leading to the conclusion that the scale of operations of the UK's overseas representation (for the next 10 to 15 years) should be broadly that implied by its present relative position in the world". There are many who feel that this is a very far from extraneous and more positive period, with a strengthening currency, substantial reserves, a healthy trend in balance of payments and improving export performance. At such a moment of potential growth in our external position, it is surely not surprising that we should be asked to diminish the impact of our overseas representation to mirror the deficiencies of the recent past instead of preparing for the improvements that are now within our reach.

Secondly, too little is made of the outstanding success of many of our posts abroad, in spite of all the difficulties at home, of presenting a strong image of our capabilities and of facilitating contacts at the highest level to support our commercial endeavours. I have visited many posts in the last few years and have been deeply impressed with the advice and assistance invariably received to gain a clear insight into the relevant position in the country concerned and to meet the personalities primarily involved. Any weakening of this resource, which has been shared with us over the years, would seriously diminish our overseas effectiveness at the very moment when we should be strengthening it.

Yours faithfully,  
DEREK EZRA,  
Chairman,  
European Trade Committee,  
British Overseas Trade Board,  
1 Victoria Street, SW1.  
AUGUST 4.

From Miss Iris Murdoch  
Sir, The suggestion that the British Council should be abolished will shock many who know the work of this extremely valuable body. Its offices abroad are full of people coming and going in an easy informal manner, eagerly seeking every kind of information about our life and culture: seeking books, seeking access to the best language literature in the world. Satisfying these customers are a small devoted, and I should have thought comparatively inexpensive, staff who seem to exercise a great influence in their regions.

This is an important and entirely good way of reminding others of our continued existence and to satisfy their persisting interest in us; and no doubt this export of our language and our values is also "good for trade," which seems to be a prime consideration nowadays. It is a narrow view of greatness which says we are not still a great country.

Yours sincerely,  
IRIS MURDOCH,  
Steeple Aston,  
Oxford.  
August 4.

From John Wilson  
Sir, In the interests of economy it  
is now necessary to dispense with  
the think tank—lock, stock and  
Berrill—or would that be emptying  
our the baby with the bath water?  
Yours faithfully,  
JOHN WILSON,  
31 Lambolle Road, NW3.  
August 4.

dom, without seriously endangering the bargaining strength of the NUJ.

This would mean that one in every twenty new recruits would be sent to complete their training in the NUJ. In the event of there being more "opters out" than 5 per cent. their cases should be considered by a committee of three (one management, one NUJ and one impartial chairman). Conscience and religious scruples should be given no more weight than common sense. In my experience, as a member of a committee of three which considered conscientious objectors in the armed forces to stand for Parliament, there is no great difficulty in deciding on those who want to "opt out" for good and sufficient reasons.

Yours etc.  
**TAYLOR OF HARLOW,**  
Glyn Ceirios,  
Clwyd.

From Mrs Eileen M. Barnard  
Sir, Did at any moment geraniums  
stand in series, heads before the  
view beneath which Keats composed  
"Ode to a Nightingale" ?  
Recently visiting the newly  
restored Keats House after a lapse  
of several years I was enchanted  
by the interior—but appalled once  
more by the planting of that gar-  
den—particularly on the spot  
where the urns of Keats is said to  
have been composed.  
Surrounded by such prim plant-  
ing could he have written:  
"My heart aches, and a drowsy  
numbness pains  
My sense, as though of hemlock  
I had drunk . . ."  
Yours faithfully,  
EILEEN BARNARD,  
The Nuth,  
Pond Road,  
Blackheath, SE3.  
August 3.

Sir, Your leading article "The Disappointments of the Banabans" (August 4) rightly emphasizes the moral injustices suffered by this

people. In the event, recourse to law did not wipe away these wrongs. Last December the Vice-Chancellor found that the British Phosphate Commissioners were liable to pay the Banabans damages for their failure to replant a certain acreage of their devastated homeland of Ocean Island. In awarding damages last week he presumably had no reasons in law for rejecting the Banabans' demand for £50,000 per acre and for ordering £50,000 interest.

50 per cent. increase in the amount which the Banabans sought against the Crown, the Court deemed itself powerless to award the Banabans a penny.

Whatever the legal sense of these judgments (and the Court of Appeal could have other views) they have no bearing whatsoever on the way the Vice-Chancellor explicitly recognised this when he directed the Attorney-General's attention to the wrongs done to the Banabans which his Court was unable to right.

The British Government's offer was not, as suggested by the Judge, as compensation for past grave breaches of the Government's higher trust towards the Banabans. Indeed, Dr Owen subsequently denied any such liability on the part of the Crown. Instead, it was an offer to make good to the Banabans with a future annual pension of £225 per head to save them from becoming destitute as a result of past British misdeeds.

Before the Banabans were forced to proceed with their actions against the Government and the Phoenix Islands Settlements Corporation, and I, after on the spot investigation, urged Mr Callaghan, then Foreign and Commonwealth Secretary, in a joint report submitted 7 April, 1975, that redress would have to be made to this wronged community irrespective of its past or present actions. Good advice was ignored.

Over two years later, and at an expense to the taxpayer for which Parliament will surely expect an account, all that has been achieved is a detailed narration of the contemptible treatment this small community has received at British hands over a long period of time. Indeed, the inability of the High Court to remedy the injustice done to the Banabans seems likely to drive them to the Court of Appeal where we will once again have the painful experience of listening

What can now be done? May I suggest that the Government should grasp the opportunity of bringing to an end this dismal colonial episode by agreeing to the terms upon which the Banabans accepted Dr Owen's "ex-gratia" offer. These terms were:

(i) that the capital sum of £6.5 million be made available to the Government of the Rabi Council of Leaders (the elected representatives of the Banaban people) with advice from the Government of Fiji;

(ii) that Ocean Island be separated from the Gilbert Islands and administered by a Commissioner appointed by the Secretary of State until such time as a reasonable constitutional settlement is reached; and

(iii) that the right of the Gilberts Colony Government to tax Banaban phosphates be deemed to have ceased as from March 31, 1977, irrespective of the date upon which the operation is formally arranged, and the British Phosphate Commissioners be instructed by the partner governments to adjust payment of the proceeds accordingly.

Should these conditions be fulfilled, the Government would be

people to establish a presence on their ancestral homeland and, with the aid of the capital which will become available together with the circulating means of nature, restore at least a part of the ravages of colonial exploitation."

It goes without saying, of course, that the Government, in accepting these conditions, shall in turn ensure that the Gilbert Government are compensated for the loss of phosphate revenue and that the separation of Ocean Island will be without prejudice to its final condition.

We would then, and only then, be able to leave the Pacific with our heads high.

I speak sincerely,  
BERNARD BRAINE,  
House of Commons,  
August 5.

From Mr P. E. TOMBS.  
 Sir, — When Hector Berlioz was travelling in Vienna, he was as annoyed as Mr Tobin (*The Times*, July 25) when he found that Ratisbon had been changed to Regensburg. More recently (1872) the Concerto Atlas of the World makes life more difficult for us if we want to find, say, Copenhagen, because we are referred in the index to København, which necessitates the turning over of 9 or 10 pages. Sadly, Mr Tobin will not find Siam in the Atlas, though it does admit a Gulf of Siam. If Sir Winston Churchill could not keep Siam for us, and Hector Berlioz mourned in vain the loss of Ratisbon, what hope is there of resisting these senseless changes — senseless so far as the English language is concerned?  
 Yours faithfully,  
 F. E. TOMBS,  
 South Green,  
 Kirdlington,  
 Oxford.

From Sir Alan Lascelles  
Sir, Army nicknames were not  
always affectionate. In 1915, my  
divisional commander, who had been  
christened Richard, was Dirty Dick  
to his friends, and Filthy Richard to  
all the rest of us.  
Yours faithfully,  
ALAN LASCELLES,  
Kensington Palace, W8.  
August 4,









ACCOUNT DAYS: Dealings Begin, Monday. Dealings End, Aug 19. \$ Contango Day, Aug 22. Settlement Day, Aug 31

§ Forward bargains are permitted on two previous days

bank  
week aft  
rate i

**Personal investment and finance, pages 20 and 21**

## Green Shield strives to lick stamp deserters

Green Shield is fighting back this weekend against the run on petrol stations abandoning trading stamps.

In a special offer to be heavily-advertised in newspapers and television from tomorrow, Green Shield is giving 120 stamps free to customers of franchise holders cooperating with its "fair deal" promotion.

The company has asked its 8,000 petrol franchise holders to increase the number of stamps given with every gallon to 400 worth about 2.5p. This compares with the legal minimum of five stamps per gallon and

Mr Richard Tompkins, Green Shield's chairman, said in a statement advertised yesterday that 2,000 franchised filling stations had agreed to support the "fair deal" campaign. The remaining 6,000 had undertaken

to give at least some stamps with every gallon sold.

As well as increasing the number of stamps to keep pace with inflation Green Stiebel's plan is step a growing tendency by filling stations to charge extra for petrol sold with stamps. Their new tougher policy insists on franchised filling stations issuing stamps with each gallon, irrespective of the price charged.

Part of the publicity campaign, which starts this weekend and lasts for six weeks is a special sign advertising "Low price petrol plus stamps on all gallons."

The campaign costing about

Also coming into operation next week are new regulations governing the display of prices on petrol stations. These compel garage operators to display the lowest net prices for at least two grades of petrol, one of which must be near-star.

A number of filling stations led by Shell's City Petroleum subsidiary, Total and the Alan Pond group have opted at the same time to give up their Green Shield franchises. They have been followed by Conoco's Jet chain and Heron, who are also giving up their Green Shield name or all of their sites.

The latest defector is the Blue Star group, which gives trading stamps in about 70 of its 100 or so sites. Blue Star said yesterday that it was giving up not just Green Shield, but S & H pink stamps and Co-op dividend stamps as well in order to allow complete flexibility.

multiple-owned filling stations are expected to abandon their Green Shield franchises. It is not known how many of the dealer-managed sites, which make up the bulk of the country's total of over 30,000 petrol retailers, will follow their example.

But a number of the multiples have said they will hold on to their franchises. Mobil, which has been a traditional Green Shield supporter, said yesterday that it would continue to offer stamps in its 70 managed stations although it would be reviewing the situation regularly.

Chevron also said it would carry on giving stamps for the time being. Petrofina (Financière)

## A creditable performance in difficult circumstances


Some important points made in the Statement by the Chairman, Mr. W. Gardiner.

- Turnover for 1976/77 was £13,555,526, an increase of £1,797,068 over the previous year.
- Profit for the same period was £1,388,087, compared with £1,541,473 in 1975/76, a decrease

■ We will recommend the payment of a final dividend of 4.0625p.

There was a very low level of investment in the UK, and fierce competition in international markets.

- We sold loss-making Melford Engineering Ltd., and successfully slimmed our workforce by 289 with the full co-operation of the trade unions and our employees.
- Although there are few signs of a general upturn in trading conditions, there has been an increase in orders in the first six months of 1977; and the development of our combined operations with Thermo Electron Corporation in the USA give us considerable strength for the long term.



**Peter Brotherhood  
Limited**  
*Manufacturers of Precision Machinery*

*The Annual General Meeting will be held at 12 noon on 1st September 1977.*

	Bank buys	Bank sells
Australia S	1.62	1.57
Austria Sch	29.75	27.75
Belgium Fr	6.85	69.75
Denmark Kr	13.82	13.82
Denmark Kr	10.76	10.36
Finland Mk	7.20	6.96
France Fr	6.67	6.35
Germany Dm	8.48	8.48
Germany Dm	64.25	61.22
Hongkong S	8.40	7.95
Italy Lr	1560.00	1565.00
Japan Y	14.40	14.40
Netherlands Gld	4.40	4.18
Norway Kr	9.46	9.10
Portugal Rec	69.75	65.75
S Africa Rd	12.00	12.00
Sweden Kr	149.00	144.00
Switzerland Fr	7.93	7.84
Switzerland Fr	4.35	4.15
US \$	37.75	37.75
United Kingdom £	32.75	30.50

Rates for small remittance to Bank notes  
 in sterling, payable by Bank notes  
 Bank International Ltd. Difference  
 1% in favour of Bank notes and  
 1% in favour of currency payments.

## PERSONAL INVESTMENT AND FINANCE

Working overseas

# There's more to a job abroad than packing your suitcase

In the next 12 months nearly 200,000 people will leave the United Kingdom to work abroad.

Not long ago this exodus was glibly referred to as the "brain drain". If that implied that only top, professional, white collar staff were on the move then the description no longer applies.

"Brain and brain drain" might nowadays be more appropriate, since half working migrants are skilled workers who roll their sleeves up in response to the enormous demand of worldwide markets.

Bricklayers and barristers, stevedores and secretaries, engineers and economists are among the many who go abroad to pass on their skills and earn their living.

Let there be no doubt why most of them go: "Never trust a man who says that he isn't interested in money—he probably lies about other things too." It is a cynicism, perhaps, but it contains more than a grain of truth. Expatriates become expatriates for money.

The rewards are good and, properly planned, the time that the expatriate spends abroad should be financially advantageous to him and to his family. Should be... Ah me!

The road to hell is not, it would seem, the only one paved with good intentions. The French proverb is right: the first step of the journey is the most important one.

Today, and for the following four Saturdays, I shall outline the steps that the intending expatriate should take to ensure that he makes the best of his financial opportunities.

It is, however, a sad fact of life that the thousands of people who go to work abroad, either on secondment to the overseas office of a United Kingdom-based employer or on contract to a truly overseas

The first in a series of articles which outline the steps the intending expatriate should take to ensure that he makes the most of his financial opportunities.

company, give less thought to their circumstances than they do when intent on spending a fortnight in Benidorm or Brittany.

Perhaps it is the excitement at the prospect; perhaps it is the nervous shock sustained in attempting to obtain passports, visas, health certificates and an international driving licence; perhaps it is innocence (or more accurately, but less kindly ignorance) about the financial facts of life. Whatever the reason, everyone who goes abroad to work should take far greater care and go into much more detail preparing for what may, for many, be the turning point in their careers and in their families' financial future.

Not always is such a lackadaisical attitude the fault of the individual, though. A great many employers take little or no interest in the financial well-being of their expatriate staff.

In his book, *So Smith is for Export*, John Ward recounts: "A friend of mine was sent for by his managing director about five years ago and asked 'How would you like to go to sell our stuff in America?' The reply was 'Very much'."

"Good, I thought you would," said the managing director. "Here's a cheque for £100,000. I'll give you 30 per cent of the profits. Now off you go!"

That still goes on today. Vaccinated, inoculated, visaged, briefed and confused the employee flops wearily into his aeroplane seat to begin a new career. Normally he will have

been inveigled into "bringing home the bacon"; but for whom?

Faced with such circumstances, it cannot be wondered at that so many expatriates start off on the wrong foot and throughout the whole of their time abroad take little or no advantage of the financial opportunities.

If all periods of expatriation began in such a panic, if each expatriate had time to take advice, then it might be understandable that so many of them fail to make the most of their new privileged status. But in fact most go to work at a more leisurely pace and so, either they as individuals should find time to seek advice or, perhaps more to the point, their employers should ensure that they are given it.

Some employers, particularly the very large multinational conglomerates, have genuine concern for their expatriate employees' welfare. They will almost certainly consult a specialist organization to advise on the remuneration structure of expatriate staff wherever they are being sent. Local social security, tax and education costs in the new country of residence are all part of the facts of life with which the expatriate will be faced in his new country.

But what many employers forget or see fit to overlook is that expatriation may be the catalyst—the very starting point—of a chain reaction which would not otherwise have taken place in the employee's life. Since the incursion of high rates of United Kingdom tax leaves nothing or precious little for investment or saving, few United Kingdom-based employees will have seen the need for professional financial advice. Such will not be the case during their time abroad.

Capital gains tax, capital transfer tax, exchange control, the investment currency surcharge, the consequences of Rent Acts for tenanted property, the cost of private education of children, may all be subjects of which the intending expatriate will have heard, but now they will become matters with which he will be living.

Taking up a job is a traumatic experience and not simply for the breadwinner. A rational man who would rarely impose on his family a unilateral decision about where they should spend their summer holidays is often expected by his employer, at short notice, to sell to his wife and children



Richard Wilson

the idea of his working abroad and their following him without question, or remaining in the United Kingdom without his company.

It is not surprising, then, that the ambition of many men is thwarted by the total dog-like intransigence of his family simply because the probable financial rewards of such a move are not properly understood, either by him or his wife.

A proper approach to the whole matter needs to be adopted. No longer, with political and social unrest rampant throughout the world, can adventure or even career improvement prospects be the

only incentive. Any intending expatriate should be briefed, not only on the employer's natural desire for profit but on the prospects of his own and his family's financial well-being.

Personal financial advice should be part of the overall remuneration package offered by the caring employer. It is a totally worthwhile "perk". It will produce a happier expatriate and, equally, if not more important, a more contented expatriate's family, aware of their contribution to their joint financial well-being.

Harry Brown

Taxation: Readers ask

## Student allowances Income from letting

This week's roundup of queries from readers includes a letter from a young man who is married and contemplating full-time study. He is naturally anxious to claim all the tax allowances to which he is entitled, but unfortunately these will not be nearly as generous as he hopes. He writes:

"I am considering undertaking a year's postgraduate study (October, 1977, to September, 1978) at one of the well-known London colleges and I wonder whether, as I will have in all probability to finance this entirely from savings, I would be able to claim an allowance with respect to my 1977-78 and 1978-79 tax returns for interest and, if so, whether these would be at the same rate as those for a dependent."

An alternative might be that my wife could claim allowances for me. In addition, I wonder whether I would be able to claim an allowance for the college fees which will amount to nearly £800 and for essentials like books."

No tax deduction can be claimed for the college fees and outgoings on books. The student is entitled to the personal marriage allowance and if he has insufficient taxable income in the tax year to cover the allowance the shortfall can be set against his wife's income.

If the wife has insufficient income to cover both her own and the balance of her husband's personal allowance the benefit of the unused allowance is lost for ever—it cannot be carried forward against the succeeding year's income.

So far as an extra allowance for a dependent is concerned the only possibility here is that the student's parent may be able to claim child allowance (as reduced for 1977-78) if the parent is maintaining the child during the full-time study period—the fact that the student is married does not detract from this. However, as the student covers only one half of each of two tax years it is probable that the student's earnings in the remaining half years will be sufficiently high to deny the parent the child allowance.

A chartered surveyor asks under what rules the Inland Revenue can assess a capital gain in the following circumstances: "Recently the local authority acquired a block of four houses for £5,000 and then the income tax authority raised the question of capital gains when the vendor offered to sell the houses for £10,000."

Since the local authority only pay the fair current value why does the income tax authority attempt to collect part of the capital sum paid for the property?

Section 20 (1) of the Finance Act, 1965, states that subject to any exceptions provided by this Act, a person shall be chargeable to capital gains tax in respect of chargeable gains accruing to him in a year of assessment during any part of which he is resident in the United Kingdom, or during which he is ordinarily resident in the United Kingdom.

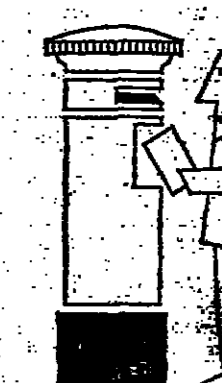
There is no exception for land and buildings bought by a local authority (comprehensively or otherwise). Consequently, if the cost (plus appropriate expenses) to the vendor of the block of four houses was less than £5,000 (less selling expenses) he will be liable to tax on the capital gain.

On the subject of letting income a reader asks: "I have been recently bought a caravan which is permanently established on a residential site in southern France. The English agent is arranging its letting

during the summer the usual summer wishes to know expenses are mentioned a number of items of expenditure have to incur.

The income and Taxes Act, 1970 (as amended) specifies a number of expenses that may be claimed for rent, maintenance, repair and management; of any other service or benefit.

The reader tells how he borrowed money from his bank to buy a house under Schedule 1.



Richard Wilson

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"Shall I employ a servant?" This is a valid question to ask, but the answer is not as simple as it seems. The answer is, of course, that the taxpayer is free to employ a servant, but the cost of the servant's wages is not deductible for tax purposes.

A payment received from a donor for the purpose of the recipient's education is not taxable. The donor must be a person who is not a close relative of the recipient.

She is, of course, entitled to the maximum personal allowance of £1,000. The question is whether the income is from the sale of the property.

There is no exception for land and buildings bought by a local authority (comprehensively or otherwise). Consequently, if the cost (plus appropriate expenses) to the vendor of the block of four houses was less than £5,000 (less selling expenses) he will be liable to tax on the capital gain.

On the subject of letting income a reader asks: "I have been recently bought a caravan which is permanently established on a residential site in southern France. The English agent is arranging its letting

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Fixed interest investment

## Why the demand for sterling is good for gilts

If you insist on venturing abroad this summer, leaving the toilers to sulk in what is obviously going to be a blazing hot British August, you should, for a change, not have to worry about the ever-falling value of the pound in your pocket.

True, you may find that your pounds will not buy you a great deal and that you will still tend to be treated as second class citizens compared with some of our wealthier continental friends. But gone should be the nightmare that has plagued the holidays of the past couple of years when you have awoken sweating in the night having just been offered a princely 100 lire for your remaining pounds—only that the lady at the *cambio* was simply delightful.

The one thing, moreover, you will positively not be doing this summer is to take out dollar travellers' cheques, either to save your money or save your face.

What you may well ask, has any of this to do with the fixed interest, particularly the gilt-edged, market? The simple answer is everything, or at least almost everything. For the major force behind the revival in the gilt market over the past couple of weeks has been the

international flight from the dollar and the strength of sterling.

Certainly, many people selling dollars—worth about the size of the American trade deficit—would, by and large, prefer to buy Deutschmarks or Japanese yen, currencies they believe need to be revalued if flagging world trade is to be revitalized. But they also appear to be ready and willing once again to buy sterling in large quantities.

They can see the increasing North Sea oil flow, which is now meeting half our oil requirements. They can see the balance of payments moving steadily towards a sustainable surplus. They know the Government is having to operate within 100 lire for your remaining pounds—only that the lady at the *cambio* was simply delightful.

The Government has been able to rebuild our reserves of foreign exchange to levels that greatly reduce the risk of fresh speculation against sterling.

Into the bargain, Britain is still offering fairly attractive interest rates, particularly on medium and long-term investments. So, even after the Government's decision 10 days ago to allow sterling to rise slightly against the dollar, the demand for sterling has continued.

To prevent the price of sterling being pushed still higher, which it is thought could damage our export prospects, the Bank of England has continued to sell sterling and buy dollars to put into our reserves.

Now we come to the way in which all this affects the gilt-edged market. To put it very simply, when the Bank intervenes in the foreign exchange market, selling sterling and buying dollars, it has to create new sterling. Not all these new pounds show up as statistical components in the domestic money supply—that depends on what the people who buy the pounds do with them—but they do all add to the liquidity in the system.

A rapid increase in liquidity can only lead to one thing—a downward pressure on interest rates. And, if interest rates are falling, the capital value of marketable investments with a fixed coupon must rise.

It is this process that has been going on over the past fortnight, producing substantial rises in some gilt-edged stocks and leading to yesterday's drop in the Bank of England's minimum lending rate—its interest rate as lender of last resort—from 8 to 7½ per cent.

All this, one must add, has come as something of a relief to the Bank and the Treasury. Hot money inflows are not particularly desirable [the idea of letting sterling rise slightly in value has, in part, been to slow down the rate of inflow], but the fall in interest rates has allowed the authorities to increase new issues of gilt-edged stocks to the kind of levels they consider necessary to help finance the large public sector deficit, and to act as a brake on too rapid growth in the money supply.

The whole process, moreover, has a tendency to become self-feeding. First, the prospect of falling interest rates whets investors' appetites for gilt-edged stock. Then, the more stock the authorities manage to sell, the happier the market is that the money supply is under control and that interest rates will not have to be forced up again.

How far can all this be expected to go and where is the catch? As they say, if I knew the answer to that, I would already be preparing to retire to a life of luxury. But at least let me propose two possible courses of events.

In the first, the Prime Minister and his battle-weary generals spend the next few weeks haranguing the work-force on the beaches of Britain, preaching the virtues of moderate wage demands. The message, by

reports net sales of about £100,000 a month. Money Management's performance tables for the first six months of the year show an average rise in the unit price of property bonds of about 7 per cent since the turn of the year. There is obviously a large element of recovery after the falls last autumn, but, as the table shows, half a dozen of the present complement of 33 bonds managed an increase of more than 10 per cent.

To put this into perspective, however, one must not forget that the FT index rose by 22 per cent in the same period.

What are the prospects for the property market? Property fund managers are looking for large rises in rental income to boost capital values over the next three or four years.

They are not expecting, nor hoping for, any dramatic fall in yields (which entails, of course, reciprocal capital appreciation) which would make values vulnerable in the longer term. And, within that overall setting, shop and industrial property is already making headway, while the office market, except in certain areas, tends to be soggy, with under space depressing rentals and capital values.

Save & Prosper's £27m Property Fund has a particularly high proportion, some 43 per cent, of its portfolio, in shop properties, so the publication of its annual report to bondholders coincided happily with a bullish survey of rental values in this sector from Hillier & Parker Estate Agents.

S & P expects its rental income overall to increase by half between now and 1981, with the main thrust provided by the shop property element. Most other funds have about

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claims becomes seriously disruptive; monetary controls prove less effective than hoped; inflation, though falling, is clearly not going to do so for long; export prospects deteriorate sharply; the wisdom of using up reserves to defend sterling as hot money flows out as fast as it earlier came in, becomes questionable.

Recent history inclines me towards the second possibility. The return to the market determination of incomes has come without the necessary preparation and education.

That said, I am prepared to see it at this stage in shades of grey rather than black. The one big difference compared with recent years is the recovery in the balance of payments.

This must provide some form of defence for sterling and put a floor under gilt-edged yields as about this summer's fall-back levels of 14 per cent for "flonges" and 11 per cent for high yielding "shorts".

Short-term euphoria could persist for some weeks, but only those who believe that moderation will win the day or that a statutory wages policy and non-inflationary recession is around the corner should chase it too far.

John Whitmore

Motor insurance

## Letting somebody else drive your car

If you restrict the driving of your car to yourself, or to yourself and your spouse, most insurers will allow a worthwhile discount off the gross premium. Not surprisingly, the idea is gaining in popularity.

Many insurance brokers, however, are opposed to the idea—not solely because any reduction in the premium reduces their commission.

Their point is that, while they may explain the implications when the policy is arranged, there is always the possibility that a policyholder will forget this important restriction, and will let somebody else drive the car, in which event there would be no cover under the policy.

Since that could lead to trouble for the broker, not to mention the policyholder, it is better not to run the risk.

There must be thousands of occasions every year when cars are driven with no insurance at all, although a premium has been paid and the owner may genuinely feel that it is effective. Lending the car to somebody else when the driving is restricted to one or two named drivers is only one of the pitfalls.

Many children start to drive on private roads before reaching the age of 17. Generally, however, there will be no cover at all while anybody under the age of 17 is at the wheel, because he or she is ineligible for a provisional driving licence. Even if a provisional licence



"Many children start to drive on private roads before reaching the age of 17."

holder drives on the road unaccompanied for no more than a few yards, there may be no cover, and there could be an accident.

A typical situation is where a learner driver in the family takes the car out of the garage on to the road, before setting off on a trip with a qualified driver. And do not think it does not happen: an upset reader last year was dismayed when she found she could not claim against her neighbour's 15-year-old son who knocked down a dividing wall.

The most common kind of policy gives cover for social, domestic and pleasure purposes. The old chestnut is that social use is driving a friend to hospital, domestic is driving one's wife to hospital, and pleasure is driving one's mother-in-law to hospital.

Also, the policyholder can use the car in person in connection with his business or profession. That rules out the situation where a man asks his secretary to drive his car and take a departing business customer to the railway station. Or there may be some minor emergency within a company and somebody lends his car to a colleague.

Some companies arrange a form of "long stop" insurance to cover their liability in cases where an employee's car is being driven on the company's business and there is an accident, with a third party claim, and for one reason or another

no cover under the employee's own policy.

That insurance, however, covers only the company's liability towards a third party (whether for personal injury or damage to property) if the company cannot make any recovery under the employee's policy.

Since it is only the company's liability which is insured, there is no cover for any damage to the car.

Usually, family cars are owned and insured by the husband. Where a wife also works special arrangements will have to be made with the insurer, if she wants to run the car in connection with her business.

At one stage, there was no cover if one gave a lift to somebody else and they contributed petrol money. Now, most insurers will give the normal cover in this situation, provided it is no more than a contribution towards the petrol. Anything more than that will count as "hiring", and will thus be excluded from the normal policy.

Charitable work in the car should usually be covered, such as collecting "stock" for jumble sales, attending committee meetings and so on. Be careful, however, about lending the car to somebody else. If he or she is being paid (e.g., as a curator, or a paid charity organizer or fund raiser), you could find that there is no cover under your policy.

John Drummond

Property bonds

## Interest building up as lending rate comes down

Knocked out cold by the devastating slump in values during 1973-74, floored by the sharp rise in interest rates last October, property bonds may be finding their feet again at last.

Last autumn property bond units fell sharply in price as the minimum lending rate was raised to 15 per cent. Yesterday's news of a reduction from 8 per cent to 7½ brings into focus the attractions of property yields, with interest rates now at low levels.

Sales and performance since the beginning of the year have been encouraging enough to infuse the industry with cautious optimism, although most funds are not as yet being actively promoted and there is not a great deal of buying and selling within the individual portfolios.

Figures for property bond sales are elusive. Netting the unlinked element out of the overall figures provided by the Life Offices Association for the first quarter of the year shows sales of managed property, gilt and cash bonds rising from £16.4m to £26.5m. Since property bonds are the main constituent of those non-equity-linked figures, the trend is encouraging.

Hambros Life says that net sales, including some switching, are running at about £13m per month. Save & Prosper is still cautiously quizzing its fund on a bid price basis, after the net redemptions suffered last autumn. But since March net sales have been between £100,000 and £200,000 a month.

Property Growth, whose fund at £28m is of a similar size,

reports net sales of about £100,000 a month. Money Management's performance tables for the first six months of the year show an average rise in the unit price of property bonds of about 7 per cent since the turn of the year. There is obviously a large element of recovery after the falls last autumn, but, as the table shows, half a dozen of the present complement of 33 bonds managed an increase of more than 10 per cent.

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Best performing funds between January 1 and July 1 this year

Bond	% rise
Trident Property	12.6
City of Westminster Fund	10.7
Welfare Property	10.7
Property Growth Agricultural	10.6
Merchant Investors	10.3
Reliance Property	10.0

From monthly statistics compiled by Money Management.

a fifth or a quarter of their portfolio in shops, although Abbey, far and away the largest fund at about £230m (the second largest is Hambro at about £80m) is perhaps under-represented here, with only 13 per cent invested in this sector.

But one of the main attractions of this type of property is that the units are fairly small and easily marketable and Abbey has less to worry about on this score, given its greater size.

Interestingly enough, the top performer in the first six months of the year, the £18m Trident, is heavily concentrated in shop properties. Its small fund has risen in value from £12.5m to £15.2m in the six months since its purchase by the fund.













Handwritten note in the top right corner: *Handwritten text, possibly a signature or date.*



the first performance of tomorrow's Prom.

**Pickets may defy union at Grunwick**

**Arbitration offer in newspaper closed-shop row**

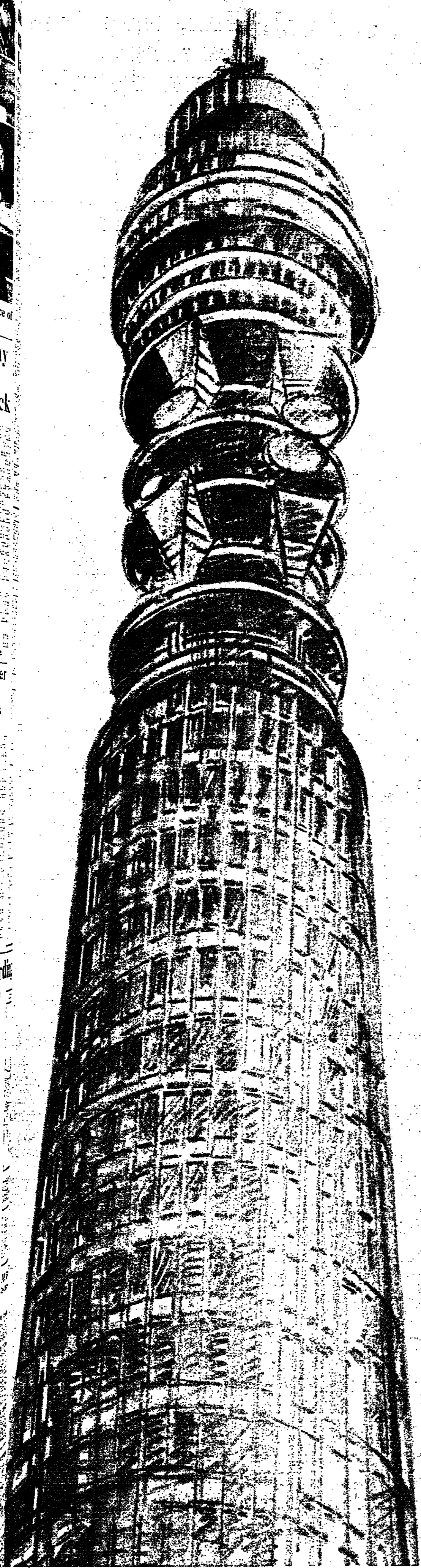
**Cast and recording**



**Saturday**

**Yesterday**

**Monday**



## Switching to a cigarette with tobacco substitute is like jumping from the 36th floor instead of the 39th.

You may have got the idea that the new tobacco substitutes will make your cigarette much safer.

Not so. The dangers of smoking won't go away so easily.


In the first place, most of these new cigarettes contain only 25% tobacco substitute—the rest is all tobacco.

And secondly, tobacco substitute itself produces a certain amount of tar.

Some of these new cigarettes—in the low to middle tar group—have a higher tar yield than some existing cigarettes.

That means the risk of getting lung cancer, heart disease, bronchitis and emphysema from smoking them could be greater than from smoking a low tar cigarette without tobacco substitute.

The truth is that the only safe substitute for tobacco is no tobacco.

 **The Health Education Council.**  
78 New Oxford Street, London WC1A 1AH.

# Protesters ordered leave France after nuclear trial

once a friend. The time was ripe he said for a grassroots member in such a contentious area.

Mr Kenneth Hardman, age 41, a former Liberal councillor in Birmingham and a company director, is concentrating on local issues and prices. Although his campaign has been boosted by two Conservative leading members who claimed there was room at the selection meeting when an exceptional coloured candidate was rejected. Confidence is not a notable feature among Liberals at this point.

Nominations close today with nine candidates already in the running and more likely to appear.

The candidates so far are John Sewer (Labour), Quentin Davies (Conservative), Kenneth Hardman (Liberal), Anthony Reed-Herbert (National Front), Kim Gordon (Socialist Workers), George Mashevski (Socialist Workers), John James House (Independent), Peter Courtney (Reform Party) and Reginald Ashan (Socialist Unity).

General election: A. S. Weldon (Lib) 14,816; R. Laws (C) 5,079; N. Jones (L) 1,006. All seats won by 7,520.

ould that German be-  
sided, had been charged  
the 12 were concerned  
possession of incense  
and knives, contrary to  
aggression law.

The hearing was dis-  
follow with police  
often giving evidence  
the defendant's defense  
proceedings continuing  
the continuing mem-  
simultaneous translation  
The defense evidence  
began at midnight  
an attempt by one  
organizing committee  
demonstration, M. Ma-  
the German, who  
The real trial  
is not that of the  
charged here today  
police repression and  
violence. He denounces  
he called "the real tri-  
MaMalve—the police  
with electricity authori-  
company building the

over 24 hours, with evidence being taken from 53 witnesses about events last Sunday when one man died and more than a hundred people were injured.

Outside the court, to which access was blocked by the

The remaining  
gathered at a church  
several of them decided  
to remain to hold  
service in protest.  
Meanwhile the deacons  
at Nassau was going  
away. After a night  
of rain only about 50  
camping out at the  
beach in the early  
hours. Their numbers  
during the day to some  
in the morning 200  
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Dominican priest who  
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the name of Jesus  
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Cress-Malville, at Na  
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The afternoon war  
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It passed off quietly  
and finished in a ho  
atmosphere with dan  
singing.

The argument between the member parties of the Union of the Left continues after the television claim by M. Georges Marchais, the Communist Party

the Government," he continued. "They have a big investment in the fishing business, they are, after all, British. They are, after all, British boat-building in British yards. A lot of people are calling for a quota, but although that might arguably help to conserve stocks I do not see how it would help the local fishermen."

Certainly those fishermen are protesting vigorously enough, but just how much they really stand to lose is hard to ascertain. Conservation takes a particular delight in spinning tales, especially to "foreigners," and the most unpopular man in the county is probably the fisherman who let it slip on a

The Communists have been relatively quiet, with Roland Leroy, a member of their political bureau, in a television interview with the Socialist Party's suggestion that there were "strong tensions" among the Communists were "strong indications" of the "majority side" appearing from M. Edgar, president of the Assembly and vice-president of the Radical Party, than to "bring together a legislative

agreement on ecology, personal freedom and the rights and powers of workers.

M. Francois Looche, National Secretary of the third member of the Union of the Left—the M. Francois Looche, National Secretary of the third member of the Union of the Left—the

### legal services'

By Our Legal Correspondent

The Lord Chancellor should become the responsible minister for all legal services and, in particular, should take over responsibility for criminal legal aid from the Home Secretary, the Lord Chancellor's Advisory Committee on Legal Aid suggests.

**E. Germans to  
new border  
death weapon**

Commission on Legal Services, the advisory committee, whose chairman is Lord Hamilton of Dalzell, also proposes that the Lord Chancellor should be the central government funding

Area legal services committees should be set up with limited lay and legal membership to administer the legal scheme and supervise the coordination and provision of legal services generally in each area. They would take the place of the present area legal committees.

But the Lord Chancellor's advisory committee rejects the suggestion that a national legal services commission should be set up to administer and finance publicly financed legal services. Such a commission could not be both independent and properly accountable", it says.

There was no valid reason to distrust the Law Society of its ability to administer civil legal aid, provided that a substantial element could be introduced into the procedure.

### Brothers die in fire

Allan Umpherson, aged 13, and his brother, Cameron, aged 12, died yesterday when their

The steamship com-  
 manded by the bor-  
 neese German, ac-  
 cording to the re-  
 port. It contains several  
 which go off simulta-  
 neously, and the re-  
 sult is a padded cloth  
 which is torn and  
 the Christian De-  
 position said that the  
 machine would m-  
 have been even more  
 it. It demanded that  
 security should be  
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 the United States.  
 when clinker kiln  
 air crash  
 Air crash  
 to Berlin, speed 55  
 has been known to  
 was killed by a  
 their aircraft  
 crashing crashed on  
 in Delaware in  
 City, Ang.  
 the British Trade  
 5, who arrived at  
 first, since the  
 for talks

arged to  
ational

# WEST EUROPE Protesters on leave France after nuclear banish police claim have arrested apo terror leader

Aug 7.—The police said one of six persons arrested on Friday and Saturday in Spain's most important town of Madrid, the leader of a group known as the initials stand for its Resistance Groups (R.G.)—has been blamed for a kidnapping and a murder. Some newspapers have speculated that the group was heavily infiltrated or even manipulated by the extreme right, but most have now accepted that it is genuinely left-wing.

Grapo was founded in 1975 in the closing months of the rule of General Franco. Some newspapers have speculated that the group was heavily infiltrated or even manipulated by the extreme right, but most have now accepted that it is genuinely left-wing.

The police said Señor Hierro, a former member of the Communist Party in Galicia, joined Grapo after having been held in prison for two years.

They said he was one of the arrested in involvement in kidnappings, bombings, hold-ups and robberies. Recent attacks allegedly committed by them include a hold-up at a Madrid office where identity cards are issued; a raid on a radio station which was made to broadcast a revolutionary appeal on the anniversary of the outbreak of the civil war in 1936.

UPL

## tugal braces itself for dose of austerity

Correspondent Aug 7.—Years after the military that overthrew the regime, the Portuguese are expecting a second dose of austerity measures to debilitate the economy. The measures are expected to be harsher than those imposed in February, which included a 15 per cent increase in the price of the escudo. De Medeiros Carreira is expected to announce them next week.

Bank of Portugal has repeatedly said that there is no devaluation, but a lowering of the rate of exchange of the escudo. Monetary policy has been studied in a series of meetings. MR is giving aid to and a further devaluation help the tourist on which Portugal has been for a large part of its foreign exchange earnings.

Portuguese press is forecasting a devaluation and such measures as higher interest rates on government bonds, which in some cases are already up to 14 per cent to encourage saving.

Portuguese also touches on the possibility of restrictions on credit to buy such goods as cars and household equipment; petrol rationing, either by a coupon system or a substantial increase in price; and fare increases on public transport.

Petrol is already dearer than in most countries; latest figures show, however, that in 1976 there were 85 cars for every 1,000 inhabitants in Portugal, that is to say one for every three families.

The Government's slogan is: "We must live on what we have" but Portugal's trade balance is plunging more and more into deficit. In spite of February's austerity measures and the high customs tariff of luxury imports, it is still possible to buy such luxuries as foreign cocktail snacks, cheese, tobacco and toys.

## Union of Left being left that

Aug 7.—Justice released from jail a student arrested in a student union in Frankfurt, Germany, a protest German banker, the chief of the Frankfurt Police ordered the student released. The student, aged 23, was released after a 18-month journey round the world.

Escorted by two Frankfurt detectives on the flight from Reykjavik, Iceland, where he was captured last weekend, the student, aged 23, was met at Frankfurt airport by two city prosecutors and 50 heavily armed policemen.

Herr Lugmeier was brought back to West Germany to serve a 12-year prison sentence for leading a group of students in a 1968 protest against the Vietnam war.

Herr Lugmeier did not bear the verdict on October 1 because he had escaped from the Frankfurt court on August 1, 1976.

At a press conference today Herr Lugmeier was in good spirits as he told about an escape route that took him to Britain, Afghanistan, Iran, Turkey, the Bahamas, Colombia and Iceland.

On July 29 this year, he said, an American stole DM100,000 from Herr Lugmeier's hotel room and went on a spending spree in Reykjavik. Two suspicious students alerted the police, who arrived just as Herr Lugmeier was trying to force the American into his car to recover the money.—AP.

## riches urged to stand o multinationals

Correspondent Aug 7.—The churches to a controversial "practical" resolution in a resolution yesterday by the Council of Churches in the World, the council's continuing grants to national churches, its campaign against torture and the support voiced during the meeting for a more equitable economic order attracted much attention, more time was spent in discussing a letter calling on the 293 member churches for fuller expression, by individuals, of the Christian ethic in word and deed.

It was criticized as "too theological" and, by delegates from some developing countries, as "too pastoral and not prophetic". Seven members of the committee, the council's main policymaking body, voted against it and seven abstained.

The committee approved an "Ethical Charter for 1978". A 10-point plan for 24 additional offices is to be added to a wing of the council's headquarters building.

# OVERSEAS Congress acts promptly on Carter plan to overhaul US welfare system and create 1,400,000 jobs

From David Cross Washington, Aug 2

President Carter has embarked on a sweeping overhaul of the American welfare system which is designed to provide the country's 32 million underprivileged with better jobs and higher income supplements.

Unveiling the programme at a televised press conference in his home town of Plains, Georgia, yesterday, Mr Carter said that the present system was "too hopeless" to be cured by minor modifications. "We must make a complete and clean break with the past," he said.

In his view the present system was not even worthy enough to be labelled a "welfare" programme. Riddled with "waste, fraud, red tape and errors", it encouraged the breaking up of families by enabling a working father to increase his family's income by leaving home.

To accomplish his purpose Mr Carter proposed to abolish the three main welfare programmes: aid to poor families with dependent children, food stamps and supplementary income for the old and the disabled.

These would be replaced, essentially, by single federal cash payments for the aged, disabled and single parent families, and the creation of up to 1,400,000 public service jobs or retraining posts for other categories of underprivileged.

In addition there would be improved tax benefits for the working poor and tax deduction for child care to free single parents for work. Those who are not disabled, old or with young children would have to work or lose their benefits.

It comes as no surprise to learn that the President has not subjected his original intention to keep the cost of the new welfare programme within the limits of the budget for the scheme now in force. In its present form the President's programme will cost some \$30,700m (£18,000m) compared with the \$25,000m earmarked for welfare spending this year.

But he believes that in reality the increase in expenditure will be less than \$3,000m because of estimated savings from lower unemployment benefits and increased social security revenue when some of the jobless go back to work. The programme would not be "incompatible" with his dream to balance the American budget, he told the press conference.

Predictably there has already been some criticism of the suggested changes. Senator Carl Curtis, a senior Republican member of the Senate finance committee, said that the programme was a "travesty". It was only a warmed-up version of schemes that welfare planners "have been pushing for the last decade".

His main objection was that it amounted to a guaranteed annual income for the poor.

# Pledge by Israel to Lebanon Christians

From Our Correspondent Tel Aviv, Aug 7

Mr Begin, the Prime Minister, visited the north-eastern frontier today and vowed that Israel would never abandon the Christian minority across the border in Lebanon.

"Jews for many generations were a persecuted minority," he told reporters. "In Israel we are a big majority, but in the Middle East we are a small minority. We shall not stand by while the survival of the Christian minority in southern Lebanon is threatened."

Mr Begin spoke at Memliah, one of the gates opened by the Israelis in the formidable security fence to allow supplies to move into Lebanon and victims of the war to move into Israel for medical treatment, jobs, visits, shopping, professional training and recreation.

Major Saas Haddad, Lebanese commander of a Christian enclave near the eastern flank of the border, told journalists last week that Palestinian guerrillas were keeping up their attacks in spite of the agreement between Lebanon and Syria limiting the Palestinians' movements.

Mr Begin said he apprised President Carter of the threat to the Maronite Christians. He had also reported it to Dr Waldheim, Secretary-General of the United Nations, and spoke to the American people about it in his radio and television interviews. They had hardly known what was happening in southern Lebanon.

# Husain optimism over Vance mission

Taif, Saudi Arabia, Aug 7.—Mr Cyrus Vance, the United States Secretary of State, arrived today in the Saudi summer capital on the fifth leg of his Middle East mission which is intended to remove obstacles to peace negotiations. He was welcomed at Taif airport by Prince Saud al-Faisal, the Foreign Minister.

Mr Vance is expected to discuss his talks in Alexandria, Beirut, Damascus and Amman with the Foreign Ministers later today and with Crown Prince Fahd tomorrow morning. Mr Vance arrived from Amman and is due to fly to Israel on Tuesday.—Reuter.

Amman, Aug 7.—King Husain of Jordan said he was encouraged by the peace proposals brought by Mr Vance and hoped they could lead to successful peace talks at Geneva.

"Our friends mean business," the King told reporters. He said Mr Vance had brought with him principles that could form the basis for a framework for peace.

"I am very satisfied and encouraged by the frankness, the sincerity, the more than the usual superficial look into matters, the real and sincere."

## Mr Young in Mexico

Mexico City, Aug 7.—Mr Andrew Young, American representative at the United Nations, arrived here today from Jamaica on the second leg of his 10-nation tour of the Caribbean and Latin America.

In Mexico, Mr Young will meet President Jose Lopez Portillo and Senator Santiago Roel, the Foreign Minister, before he flies to Costa Rica.

The talks are expected to cover the follow-up to the Paris conference on international economic cooperation, human rights, southern Africa, the Middle East and aid to the Central American region.—Reuter.

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## NUCLEAR PROGRAMME

## Germany brings the target nearer

by Denis Taylor

It is hoped that by the time work starts on the eighth power station Brazil will have acquired the experience to provide a much higher proportion of equipment. The target is for Brazilian production of 85 per cent of the components in that plant.

Angra II should be on stream in 1983 and Angra III the next year. According to schedule, the eighth new unit should be started in 1984 and finished in 1990. An inter-agency group is being set up by the Government to advise on the siting of the last six of the batch.

Work is said to be ending on the basic engineering phase for the first plants and detailed engineering work and construction of projects including a reactor factory to be starting. The erection of a heavy component factory is due to begin in September.

Brazil's officially predicted energy needs by the

year 2000 are between 180,000MW and 200,000MW. Although hydroelectric resources are put at 150,000MW, one estimate is that probably not more than 110,000MW are economically exploitable. Overall energy demand is based on the assumption of a continuing sharp rise in the national consumption of energy, which has been doubling every seven years.

The way the Government and its parastatal agencies were doing their sums, they could hope to push hydroelectric power up by 50,000MW by 1990. But in the last decade of the century the total output of energy would have to double. Faced with the prospect of shrinking hydroelectric resources the emphasis was placed on nuclear power.

An agreement between Brazil and West Germany, signed in Bonn in June, 1975, covers uranium pro-

cessing, mining and production; the construction of reactors and other facilities; uranium enrichment and the production of fuel elements and their reprocessing.

Support is afforded for the principle of the non-proliferation of nuclear weapons and includes the commitment not to use any of the items involved in the deal to make weapons or explosives or to export any of them to a third country unless this has signed an agreement on safeguards with the International Atomic Energy Agency (IAEA).

The parties also undertook to submit all nuclear equipment, facilities, information and technology to the safeguards of the IAEA.

Contracts have been signed between Empresas Nucleares Brasileiras (Nuclebras) and German enterprises covering the formation of joint ventures; the supply of equip-

ment and services not yet available in Brazil and their financing.

Germany was not the only country approached when the Brazilians decided they wanted their own self-sufficient energy programme. But even the United States was unable to offer a deal covering enrichment and reprocessing.

In defending its nuclear decision, the Brazilian Government has argued that considering the magnitude of the problem for its development and the existence within its territory of considerable uranium reserves and promising geological indications, Brazil cannot be denied the right to enrich uranium in the country as a means of ensuring the internal supply.

This solution would also allow for "significant foreign exchange savings resulting from the import substitution of the enrichment services." The same

reasoning applies to the reprocessing of the fuel burned in the reactors.

The reuse of uranium and plutonium as mixed oxide fuels in the light-water reactors which Brazil is going to build would permit substantial savings in uranium ore and in enrichment services, in addition to savings in plutonium storage costs.

The Germans were not entirely free agents in dealing with the Brazilians. Membership with Britain and The Netherlands, of Ureco, precluded the Germans from offering the commercially proved centrifuge process.

That is why critics have called the jet-nozzle system of enrichment which the Brazilians are to get "experimental". More accurately, the process is scientifically and technologically proved but has not been used on a commercial scale anywhere in the world.

## URANIUM RESOURCES

## Deposits account for stren

by Pearce Wright

One of the several momentous issues raised by the collaboration between West Germany and Brazil on nuclear energy is a subject that has been called the geopolitics of uranium.

Whatever the merits of the argument about the transfer of atomic power technology from Germany to Brazil and the threat of a nuclear arms race in Latin America, a fact which is becoming more apparent is that Brazil could achieve nuclear status without outside help.

The process would merely take longer and be more costly than that of avoiding mistakes in technical development by buying foreign technology.

The reason for Brazil's strength lies in the recent configuration of good uranium ore deposits that have long been suspected but not extensively explored. The value of indigenous uranium deposits is not difficult to appreciate since the motive behind the development of nuclear power in the industrialized countries has been to save money on energy imports and, more particularly, to reduce dependence on the Organization of Petroleum Exporting Countries group of suppliers.

Even a rough comparison between types of electricity generation indicates the attraction of nuclear energy. One gram of uranium "burns" in a present generation of atomic power station yields energy equal to 12,000 to 16,000 tonnes of coal or its equivalent in oil or gas.

The existence of an adequate supply of uranium is a prerequisite for the plans of any government intent on building a large nuclear energy programme. Most major industrial countries and Third World countries do not have significant indigenous reserves of uranium ore.

Indeed a recent report, *Nuclear Power—Issues and Choices*, from the nuclear energy policy study group of the Mitré Foundation, produced an estimate of the uranium resources in the West. It lists the uranium oxide recoverable at a price up to \$30 a lb. This is well above the present price of ore for nuclear power station purposes, but indicates the level of price which can be accommodated over the next few years in building an economic atomic power programme.

Against this background the development of a new resource in Brazil has important international implications. The deal between Germany and Brazil included a uranium and mining agreement. Two areas totalling 45,500 sq miles were initially earmarked for prospecting with a guarantee of 20 per cent of any ore for Germany utilities, with the proportion increasing later.

Most of the uranium suppliers, and especially the United States, Canada and Australia, are exercising restrictions on the export of ore in order to conform with their interpretation of the regulations for the non-proliferation of nuclear materials and with mineral conservation policies.

Hence, the Brazilian ore deposits may turn out to be as vital for the Germans as for the Brazilian electricity generating organizations.

The belief that large deposits existed was based on extensive surveys, largely aerial ones, made for the National Commission for Nuclear Energy from the early 1950s. Investigation was backed up by a small amount of drilling to confirm the position of the most promising ore bodies.

Although the geological description of the areas in which the uranium was located and of the type of minerals in which it was dispersed was prepared, measurements of the quantity of recoverable ore was not made.

The first of detailed tasks was Araxá where 1,000 tonnes of recoverable ore were assessed at a price of \$30 a lb. This is well above the present price of ore for nuclear power station purposes, but indicates the level of price which can be accommodated over the next few years in building an economic atomic power programme.

Larger mines have been identified, immediate reserves of more than 12,000 tonnes were retrieved with an economic more available cost of mining.

The central idea is that the water resources be retrieved with a small uranium plant and reprocessing plant.

The basic development is a Kraftwerk Union consortium, based under licence from house. This part of light water enriched uranium has raised the weapons potential.

Yet the Brazilians are perfectly capable of doing a reprocessing plant for their own purposes if they enrichment techniques.

The author is *The Times*.

Territories with a	
	1976
Australia	43
Sweden	38
South Africa	35
Canada	22
France	7
Niger	6
Algeria	5
Spain	3
Argentina	2
US	64
Others	16

## MINERALS

## Big projects fail to draw foreign cash

by David Uren

Since the discovery of Brazil in the sixteenth century, there has been a strong belief that anywhere as inhospitable as the Amazon region must contain great mineral wealth. After the 1964 coup, the United States Air Force was contracted to do a photographic survey of the vast interior.

It uncovered diamonds, chrome, gold, bauxite, silver, mercury, manganese, zinc and half a dozen other rare ores. The Amazon contains the world's richest iron ore deposits and some of the most significant bauxite and manganese reserves.

Interest in the region is still running high—six international companies, including Shell's Bilton subsidiary, have applied for a total of 188 exploration licences. The problem, one which Brazil shares with most Third World countries, is a lack of investment capital to bring its mineral reserves on stream.

The Serra dos Carajás iron deposit is a case in point. A 17,000-tonne mountain of top-grade iron ore, it was the subject of negotiations for seven years between the two partners, US Steel and the state-owned giant, Companhia Vale do Rio Doce (CVRD) until last May when the American company pulled out. US Steel had a 49 per cent stake but was reluctant to put up its share of the total investment, which had risen over the years to more than \$3,000m. CVRD has not yet found a new partner and will probably continue alone.

A further difficulty was the distribution of directorships. US Steel did not accept CVRD's assumption of administrative control. Although not a fixed policy, Brazil prefers that exploitation of big mineral deposits be carried out in joint ventures with the state company to ensure that schedules are kept.

This does not always suit foreign concerns. Rio Tinto Zinc withdrew its 5 per cent stake in a huge (500m to 600m tons) bauxite development in the Amazon earlier this year because, as company spokesmen explained, they prefer to have complete control. RIZ is going it alone in another Amazon bauxite project.

Brazil's chief mineral interest is in base metals such as copper, zinc, bauxite, lead and nickel. Base metals are the third largest item on Brazil's import bill, after oil and capital equipment. The bulk of foreign investment, however, is at present going towards smaller projects mining rare metals including tungsten, cassiterite, molybdenite and chrome.

Such projects require a lower investment and, with a guaranteed market, show a quicker return. They do not encounter the political problems of projects marked as top priority by the Government. Uranium, of which small deposits have been

found, is an exclusively state preserve.

Considering the diversity of the mineral projects and the difficulties of working in remote regions, the annual direct investment of \$300m in mineral development is fairly small. Few private Brazilian companies have the capital to take on important mining projects, although one exception is the Araxá group which, jointly with Bethlehem Steel, is exploiting Brazil's major manganese deposit in the Amazon territory. The state development bank, which provides venture capital for private enterprises, allocated just 3.5 per cent of its loans to the mining sector last year.

While international economic instability and low

mineral prices are discouraging international groups from making big long-term investments, the Brazilian state sector is also feeling the pinch. Facing high inflation, there have been public spending cuts all around and the state mineral exploration budget this year has been slashed down by more than 25 per cent. Production is rising nevertheless and some of the targets are being met. Brazil became self-sufficient in tin in 1976, a year in which mineral production grew a record 27 per cent. Less than 40 significant gains are expected this year.

The author is on the staff of *Latin American Newsletters*.

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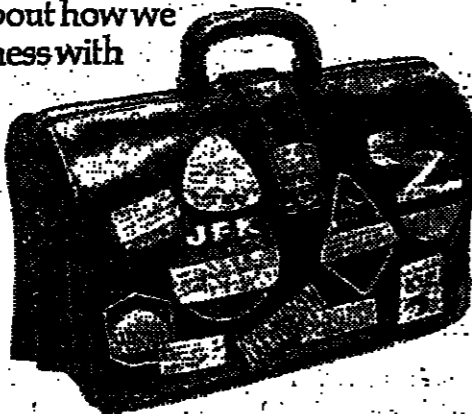
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## Controversy over power package

continued from preceding page

is argued, Brazil's much vaunted drive for self-sufficiency in energy rests on a somewhat shaky basis.

They are advocates of using natural instead of enriched uranium, although more than four fifths of the reactors installed in the world are of the light-water type using enriched uranium.

Brazil is one of the few developing nations with a respected community of physicists. But official sources I talked to disputed their ability to get the country on the nuclear road in anything like the necessary time. Senhor Nogueira Batista said: "We made a careful evaluation of the technology. We made this appraisal in conjunction with the Germans, including the German Government."

The jet-nozzle is a process which is suited to our needs. It is power consuming, but we have here ample hydro resources in distant parts of the country which we can use for enrichment." He pointed out that it did not matter where an enrichment plant was sited.

Whenever the merits of the case, the Secretary of Physics has pointed. There was no public debate on how suitable it was for local requirements before the German agreement was signed. But the debate continues. More than 2,000 people turned up to hear Professor Goldemberg speak against the deal during the annual conference of the Brazilian Society for the Advancement of Science in São Paulo last month.

## ENERGY FOR PROGRESS

Consumption of power in Brazil is growing at one of the fastest average rates in the world: over 10% per year. In 1976, the rate actually reached a level of 12.0%.

For this very reason, Brazil's development calls for installed power to double every seven years.

When Eletrobrás was set up 15 years ago installed power was some 5.7 million kilowatts. Today, the figure tops 22 million. And in seven years time, by 1984, we shall be needing 44 million kilowatts and by the turn of the century, it is estimated that installed capacity will top 170 million kilowatts.

The growth of Brazil has surprised the most alert planners, but not Eletrobrás and its associated companies.

The energy sector, through its results, is proving right here and now that it is planning, and planning properly. The well designed and effectively implemented projects are transforming those plans into realities.

In 1976, 2 million 233 thousand kilowatts were added to previous installed capacity. We inaugurated major hydroelectric plants such as Marimbondo on the Minas Gerais and São Paulo frontier, Salto Osório, on the Paraná River, and the first hydro-



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electric plant in the North region Coaracy Nunes.

We have under construction today hydroelectric projects, a growing more than 15 million kilowatts, with conclusion scheduled for 1981.

Throughout Brazil plants are springing up such as Tucuruí, the North region; Sobradinho, Moxotó, Itaipera and Paul Afonso IV, in the North East; Itumbira, São Simão and Açu, in the South East; and Foz de Iguaçu, in the South.

Not to mention Itaipu, a joint venture Brazil-Paraguay, which is the largest hydroelectric plan in the world, with its 12 million 600 thousand kilowatts, and the Angra dos Reis Nuclear Power Plant, which takes its right in the Atomic Age.

To meet the needs of a land such as Brazil, to keep in step with it on its drive into the future means thinking big—and planning realistically.

So no matter how much the figures grow, the rates of expansion soar or consumption climbs, electric power is at hand, at hand to back up and promote development at one and the same time.

Brazil needs electric energy to grow. And energy is something that Eletrobrás guarantees.

Handwritten note: *Handwritten text in Arabic script, possibly a signature or reference.*

## PETROLEUM PROSPECTS

## Slow reaction to crisis

Knight

Probably only one oil producer as far as prospects for the future are concerned. Shigeaki of Mines and Metals, an oil producer, could sell his oil by 1985, but only if the industry in 10 years will be importing 10 per cent of crude oil. This will cost 10 per cent of the exports. Several people hold this view.

was also the search for oil in their own country for far too long, even though they set up a company, Braspetro, to search for oil in the Middle East. They have had some success with this search, notably in Iraq, which means that a certain amount of oil is available to them at preferential rates.

This policy of neglecting the search in Brazil has been strongly criticised in recent months by some business groups and politicians as one of the shortcomings of state-controlled industry. Brazil is to dedicate \$860m to exploration and production this year. Much will be devoted to the underwater collection and pumping works needed to bring the wells of the Campos field, and other proved wells, on stream. The amount for purely exploratory drilling remains quite small.

There are about 20 drilling rigs and ships working for Petrobras offshore in Brazilian waters. Critics say that Petrobras, which has always been a profitable company, has rested on its laurels as a successful refining, distributing and sales company, with a high degree of protection on the sales side.

It operates with several major built-in advantages over its competitors within Brazil, with distribution patterns and a pricing structure guaranteed to give it a huge profit. This is certainly a valid argument, and there might be something to be said for separating the two sides of the company.

Another characteristic of Petrobras is that it has always been headed by a general, and run on army

lines, in a most secretive and introspective way. In this it contrasts markedly with that other Brazilian state giant, the Companhia Vale do Rio Doce (CVRD), which tends to be open, polemical, a dynamic and controversial enterprise.

CVRD has proved able to change direction swiftly, and is a fairly efficient and certainly profitable enterprise. The press attacks should perhaps be more about secretive leadership, rather than state ownership as a principle.

Little has been done to curb the use of oil by Brazilian motorists. The Government has been hesitant to act when the risk of offending the politically vital, and already considerably affected middle class is concerned.

Although the price of petrol is now the highest in the world, 50 per cent above Britain, this has to be seen in the context of Brazilian middle class take-home salaries, almost unaffected by the low tax rates. So far there has been little serious attempt made to curb the use of the private car for journeys to work in the big cities.

The critical situation of oil imports has been postponed, or perhaps disguised for a few months because of Brazil's windfall with the coffee price, and the fact that soy prices are extraordinarily high this year.

Unless there is another severe frost in the coffee producing zones the situation will be reversed next year, again putting the balance of payments under severe pressure.

The Brazilian authorities apparently concluded they had not enough foreign exchange actually to introduce a planned compulsory deposit scheme earlier this year, whereby motorists would have had to pay an extra 15p a litre of petrol, to be paid back a year later. This might well have worked, but frightened by the public outcry, possibility of frauds, as well as having to alter refinery runs, the scheme was dropped at the eleventh hour, when all the coupons had been printed, distributed, and some even stolen.

Instead of introducing restrictions at the psychologically correct moment, when they would have been accepted, the Government seems to be relying on future incentives to save them. God is still felt to be Brazilian, but His good will is certainly being put to the test on fuel policy.

As the demand for energy inexorably grows, Brazil is at least making serious efforts to locate and bring on stream any oil which might be hidden under its massive territory. For many years the state oil company, Petrobras, not only had a monopoly of refining but of exploration and production as well. Mistaken policies led to the search for oil in Brazil being seriously neglected for many years, until the 1973 oil price rise, when Brazil suddenly became aware how vulnerable it was.

It is now a year since the first series of risk contracts were signed, and two of the four contracting companies, BP and Shell, are preparing to drill their first wells. But it has proved hard for Brazil to move to the stage where the proper priority is being given to the oil search.

Petrobras, the military men who head it, and an influential section of Brazilian public opinion, have been very jealous of the role of their state oil company.

The opening up of the oil search to international companies attracted a great deal of hostility. Although it was agreed two years ago that the oil majors should be permitted to come to Brazil and help in the search for oil, so far only four companies have concluded all the phases of the risk contracts, and have started work.

More than 50 companies first showed interest at the first round of bidding, and the surprising reduction to only the surviving four was attributed to the "harshness" of the terms, as well as the blocking tactics and lack of cooperation by Petrobras officials, and negotiators, many tacitly opposed to the change in the law.

The second set of 25 blocks was made available for bidding in May this year. This time 37 international oil companies have made preliminary enquiries, and several have already paid the \$250,000 for access to seismicological data. Such data cost \$400,000 at the first round, and this rather high price was also a factor in deterring prospective bidders from proceeding further.

Extra seismicological work has to be done in any case. Although the \$50m or so to be committed by the four companies which have so far concluded their contracts will be a helpful addition to

the sums invested by Petrobras, it should not be forgotten that Petrobras itself has earmarked more than \$1,500m for the offshore search during the next few years, and to bring the Campos field on stream. More than 300 wells are scheduled to be drilled by the company in the next three years.

The four companies which have joined in the search, BP, Shell, Elf/Agip and Exxon, are only committed to drilling two or three wells each under the terms of the contract. It was Petrobras, using one of the 20 or 25 rigs and drilling ships it owns or operates on charter, which found the wells of the Campos field, now three years ago. Campos has been estimated to have total reserves which will permit a total of 200,000 barrels a day to be produced from the eight major fields in the area, which is more than the total output of all the Brazilian fields at the moment.

The first phase of the second round of the oil risk contracts has resulted in a similar initial response to the first, but it is expected that the survival rate will prove to be considerably higher this time. The processing of the data, and the finalization of the contracts should be completed in a far shorter time than was taken last year, but the imponderable factor still remains the goodwill, and the scale of cooperation within the impenetrable Petrobras hierarchy.

This time there are a total of 25 blocks up for bidding, 15 in the Santos basin area, eight off the mouth of the Amazon river, and two in southern waters off Porto Alegre.

It might be thought curious that two of the first three companies to complete the contracts were British, or Anglo-Dutch, and the third was also a European. This is perhaps an indication that actually to find oil is not the only factor in the search for oil in Brazil. The British Offshore Supplies Office has great hopes of selling major amounts of equipment for the search as it gets into its stride, and Senhor Shigeaki Ueki, the Minister of Mines and Energy, has been a regular visitor to London in recent months. It has been stated that probably one half of the \$1,600m which is to be spent on the oil search during the next few years

will be spent on imported equipment and services.

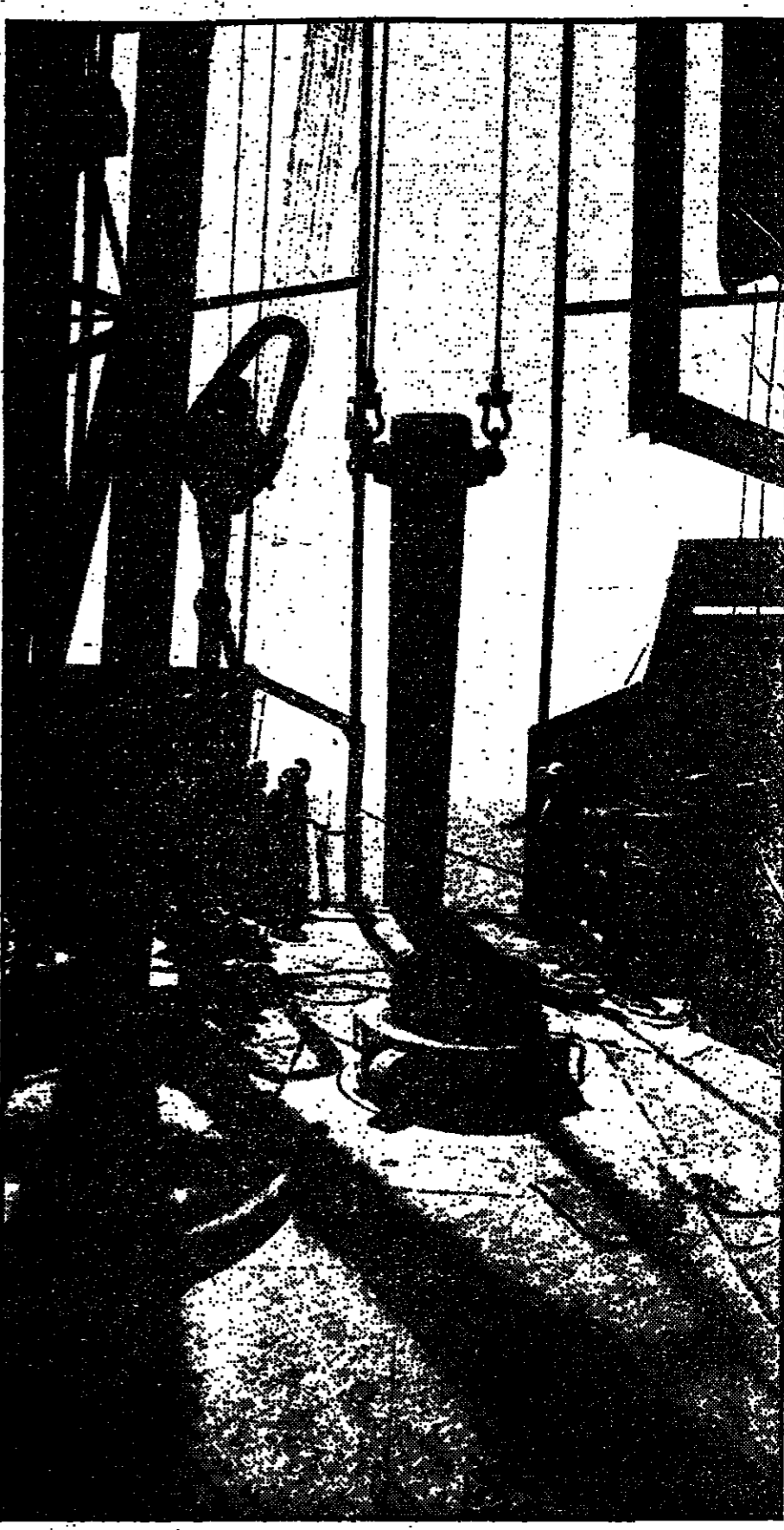
Wherever possible, however, Petrobras uses Brazilian-made equipment. It was able to boast last year that more than 90 per cent of company purchases had been made within Brazil. Brazil's difficulties over its balance of payments makes this aim understandable. But there is still plenty of scope for partnership, to replace the mainly North American chartered equipment with rigs and ships made in Brazil. The large Brazilian construction company, Mendes Junior, has already successfully launched its first concrete platform, to be used both for drilling and to store 140,000 barrels of crude from the north-eastern fields off Sergipe state. The firm built the rig in conjunction with an Italian consortium, and two more are under construction. Other Brazilian shipyards are working on rig construction, and are also building the first supply boats.

Besides the Campos basin, the other exciting area of Brazil is off the mouth of the Amazon, where there are eight blocks up for bids under the second round. So far, a major gas field covering 30 sq km, and with reserves estimated at 42,000m c metres has been found off the state of Amapa, on the north bank of the Amazon. Despite the large size of this field, it is not so far from being a commercial proposition to develop. It is 250 km offshore, and in water 160 metres deep.

However, there are promising signs that other wells containing oil, as well as gas, are to be found in the area, which might lead to the development of a petrochemical industry in the Amazon area. The Amazon river basin itself has so far proved to be a great disappointment for the oil search in Brazil, though in Peru, not far from the border, considerable quantities have been found, and it had been hoped that the fields might extend into Brazilian territory. The offshore block up for bids in the first round did not attract a single bidder, and over the years more than 400 dry wells have been drilled at great cost in the Amazonian jungles.

P.K.

An experimental drilling platform in the Bagre field off Rio de Janeiro.



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## Consolidated Annual Financial Statement

as at 31st December 1976

	£	£		£	£
Capital & Reserves			Fixed Assets		
Issued and paid-up Capital	24,217,121		Land and buildings	2,979,553	
Reserves for capital increase	24,217,121		Furniture, equipment, etc.	739,304	
Other Reserves	13,719,962	62,154,204	Statutory inflation adjustment	4,152,209	
Reinsurance Funds		48,041,989	Less: Accumulated depreciation	1,263,542	6,607,524
Current Liabilities, Provisions and other Reserves			Investments and Loans		
Federal Government Funds	25,746,943		Treasury Bonds	26,319,890	
Special purpose Funds	4,706,406		Other securities	143,402,198	
Local currency deposits retained from insurers	44,991,777		Fixed term deposits	14,711,579	
Foreign currency deposits retained from insurers	9,525,178		Statutory investment	514,486	184,948,153
Balance due to insurance companies	29,119,187		Statutory Deposits		6,517,870
Sundry provisions and other balances	39,742,423	153,831,919	Foreign Currency Deposits		8,145,064
		264,028,112	Current Assets		
			Deposits retained by insurers	40,168	
			Balances due by insurers	35,276,674	
			Sundry balances	3,804,944	
			Cash at Bankers and in hand	18,687,715	57,809,501
					264,028,112

## Consolidated Income &amp; Expenditure Statement

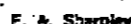
for the year ended 31st December 1976

	£	£		£
Premiums-net	104,970,972		Commission-net	21,548,609
Investment income-net	37,138,473		Claims-net	32,122,075
			Technical reserve adjustments-net	18,524,012
			Financial expenses-net	1,826,164
			Management expenses-net	10,138,987
			Other expenses	4,246,335
			Statutory appropriations including taxation	43,116,450
			Unappropriate balance as per Balance Sheet	10,586,813
				142,109,445

To guarantee its reinsurance operations, not only in Brazil but also abroad, the IRB can rely of the following specific resources:

Capital & Reserves	£62,154,204
Additional Operation Fund	£18,758,380
Foreign Currency Deposits	£ 9,525,178
Total	£90,437,762

Incorporated in Brazil with limited liability



## by Moara Terdre

The present period is no exception. Two of the country's three large mills are being started in Minas Gerais. Brazil's oldest mill, Volta Redonda, which is situated in the state of Rio de Janeiro and is owned by the Companhia Siderurgica Nacional (CSN), is in the complete stage two of its expansion plan last year, producing just 1,700,000 tonnes instead of the 3,000,000 tonnes planned. Cia. Siderurgica Odebrecht, Cia. Paulista—which is located in the state of São Paulo, did only slightly better, with an output of 1,600,000 tonnes, instead of the predicted 2,200,000 tonnes.

The third mill, Usiminas,

said that the bank may well be protecting the interests of the steel manufacturers by supporting the industrialized countries which are unwilling to help Brazil to develop its own steel sector, since this will mean that they eventually lose their best customer among developing countries.

The report also recalls the annoyance of American manufacturers when many of the tenders for the second stage of the expansion plan were awarded to Japanese firms.

None of these difficulties, however, has deterred the Government's determination to develop the sector as rapidly as possible. Of the \$5,200 million approved by the powerful industrial development council last year, 71 per cent was allocated to three mills and one big new project, Açucenas.

Delays are already foreseen for this new mill, which now has a budget of \$3,460m—\$1,000m more than the original figure. The mill should come on stream in 1980, but it is later than was at first planned. It will have an initial output of two million tonnes a year, possibly going up to 10 million tonnes at a later date. Much of the financing for the mill is coming from a consortium of European banks.

Delays are also likely to occur with the other big new mill, which is to be built at Tubarão in the state of Espírito Santo. Under the original project, production should begin in 1980 with an initial annual output of 3,000,000 tonnes.

## Providing the finance

by Peter Hill

Britain is playing an important part in the development of Brazil's steel industry through the provision of technology and equipment. The most important project is the building of a vast integrated steel mill at Ouro Branco, 70 miles from Belo Horizonte, being undertaken by Aço Minas Gerais (Acquiminas).

Construction is expected to start soon with the first phase due for completion in 1983. It involves the installation of a 2,000-tonne electric blast furnace and a sintering plant with a capacity of 2,900,000 tonnes a year.

Completion of the first phase will result in an annual steel production capacity of two million tonnes. In the second stage facilities will be installed for the production of flat-rolled steel as well as profiles. An eventual production capacity of six million tonnes per year—about two thirds of Brazil's present production—is planned.

In January a £150m financial agreement was concluded between Britain and Brazil, arranged by merchant bankers Morgan Grenfell. It was the second largest deal to secure the backing of Britain's Export Credits Guarantee Department. The agreement covers contracts to be completed with Davy Ashmore International and Arminas.

The loan was a sequel to last year's visit to Britain by President Geisel. A memorandum of understanding was agreed covering the financing of the Minas Gerais project which will cost an estimated £1,050m.

Acominas recently negotiated an agreement for a total Eurocurrency loan of about \$550m with a group of banks coordinated by Morgan Grenfell. It represented the tenth largest Eurocurrency loan arranged and certainly the largest arranged - for Brazil.

The overall loan package is in three sections with £520m being managed by these Manchester and Libra Bank, £100m by the Bank of America and Paribas and DM400m by the Compagnie Luxembourgeoise de la Dresdner Bank. Final maturities run from three to seven years after the signature and the package is guaranteed by the Brazilian Government.

Under the terms of the £150m credit arranged by the Morgan Stanley, which will be repaid after the commissioning of the plant, 85 per cent of goods and services will be provided by British companies owning the plant at Ashmore. However, there is a possibility that the £150m

credit will be increased.

British involvement in an iron ore mining project is being scaled back by the withdrawal in May of the United States Steel Corporation from the world's largest iron ore project at Serra dos Carajás. The British Steel Corporation had originally planned to take a 5 per cent share in the venture together with some other international steelmakers.

The shareholdings in the venture have still to be finalized but the cost of exploiting the iron ore reserves continues to rise and is now put at more than \$3,600/m.

The author is Industrial Correspondent, *The Times*.

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has happened  
over these last  
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stock-exchange  
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transactions.**

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The author is Industrial Correspondent, The Times.

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10-2-83 8:11 PM TOLDO

## INDUSTRY MINISTER

## The way to pay back loans

Patt

Angelo Calmon de Sá, Minister of State for Industry and Commerce, The Times while a visit to Brazil. He is the son of the late Calmon de Sá who was the first Minister of Industry. Before this he was the chairman of the Brazil for three years.

owned subsidiaries in Brazil. This is a reason for the figure being so high compared with other countries. It is not fair to make a comparison of our indebtedness even with developed countries. The percentage of private indebtedness is about 50 per cent, and one has to consider that the private sector about half consists of multinational companies' loans to their subsidiaries.

"It is not only important to know the total indebtedness, but also to know how it is scheduled. Brazil has been careful in the past 10 years not to allow short-term financing to Brazil. The minimum term for any financing is five years and, in the past, has been 10 years, so the amortization of the indebtedness is spread out more than 10 years.

"Very long-term loans to our international institutions have been negotiated in such a way that the highest per-



Senhor Angelo Calmon de Sá: We should not increase the ratio of liquid indebtedness against exports.

centage of amortization in one year was 16 per cent. This was for September, 1976, which is the latest figure I have.

"Besides this Brazil is a capital-importing country. We should be having current account deficit for some years ahead. It is important

we should not increase the ratio of liquid indebtedness against exports. That way we can generate funds to pay back loans. If our exports have a rate of growth that is higher than the increase in our indebtedness we will always fulfill our obligations.

"Up to 1973 Brazil was careful to boost up reserves to the figure of \$6,400m. In the first two years after the oil crisis we have used up all these reserves to avoid higher indebtedness, but in 1976 we can move up our reserves to \$6,500m and we have forecast that in the next two years we will keep this level of reserves.

"It is important to take note that after three years of quite substantial deficit of trade balances (\$4,700m in 1974, \$3,500m in 1975 and \$2,100m in 1976) in May this year we have reached a surplus of trade balance of \$36m for the first five months and at the end of the year the total surplus will

be \$1,000m. What more do I have to say to prove I am very confident that Brazil will amortize its indebtedness?"

The point was put to Senhor Calmon de Sá that Brazil has been unsuccessful in trying to develop its oil resources for three or four years. Many people suggested that the country was taking too long to decide on what type of contracts to offer companies. He was asked: "Is the combination of contracts and locations Petrobras offers attractive enough to compete with opportunities elsewhere?"

He replied: "I would say so by the number of companies which have already signed risk contracts. These are five big companies, including BP and Shell. For the second round we have more than 30 firms which have applied to participate. Some American and British companies are also participating in the second round."

## ENERGY MINISTER

## Future gives food for thought

by Jan Rocha

"The only chance for you to talk to the minister will be during his flight to Rio tomorrow. Be at the airport at 7.45 am," the aide said. An early morning chill was still in the air when a black limousine swept up beside the executive jet, its engine already roaring.

A small, plump, bespectacled man, buttoned into a smart suit, climbed into the aeroplane. Senhor Shigeaki Ueki, Brazil's restless Minister of Mines and Energy, was on the move in his self-described role as the country's number one salesman. He spends a great deal of time travelling, but the man who once weighed out kilos of rice in his father's store now trades in thousands of tons of iron ore or millions of barrels of oil.

Senhor Ueki's eyes shine when he talks about his vision of Brazil's future. Often criticized for over-optimism, he insists that he merely takes what he calls a "global vision" and in the long run, Brazil cannot lose.

It may or may not have nil, but it does have another strategic commodity in abundance—food. "Brazil has 3 per cent of the world's population, but 10 per cent of its cultivable land and we are only using 20 per cent of that area," the minister explains.

He loves to sprinkle his conversation with statistics. "We can become a major food supplier to the world," he declares. "We produce 10 million tonnes of wheat, and we are not overproducing by Brazil's need to import 80 per cent of its oil."

He feels the position of Petrobras, the state oil com-

pany, as the world's largest oil purchaser, gives Brazil useful bargaining power in international markets. He hopes Petrobras will one day become the "eighth sister" of the oil world. He would like to see the Vale do Rio Doce mining company become the world's sixth largest aluminium producer.

Senhor Ueki is small, but he thinks big. It is a not untypical reaction among Japanese who came from an overcrowded homeland to the huge open spaces of Brazil, brimming with natural resources.

Senhor Ueki's parents came to Brazil as children, under a Japanese Government-sponsored migration scheme that brought thousands of peasants to the country between the wars.

In the small rural town where he was born in 1935 Japanese immigrants made upward mobility among them was rapid. His grandfather was a farm labourer, his father kept a store, his four brothers and sisters include a mathematician, an engineer and a helicopter pilot.

Senhor Ueki moved to the state capital, São Paulo, when he was 15; during the day he worked in a bank, at night he studied accountancy. He had a flair for figures—a gift often used to dazzle audiences and win arguments.

A law degree gave more status than accountancy, so he then studied law. He was well set on a career as a successful company lawyer when a chance meeting with the then Minister of Trade and Industry started his climb to power.

Impressed by Senhor Ueki's intelligence, energy and enthusiasm, the minister invited him to become an economic adviser at the ministry. Within eight years the accountant-turned-lawyer from the interior would become a Govern-



Senhor Shigeaki Ueki: We can become a major food supplier to the world.

ment minister and the initiator of some of the Geisel Government's most controversial projects.

In 1969 the new president of Petrobras, General Ernesto Geisel, asked Senhor Ueki to be financial director. He is said to have protested: "But I don't know anything about oil!"

To which General Geisel replied: "Nor do I, so we'll learn about it together."

For a man like Senhor Ueki, who believes that 100 hours' intensive reading is enough to dominate any subject, it was not, after all, an insuperable challenge.

Under his influence, General Geisel soon began a shake-up at Petrobras. An international subsidiary, Braspetro, was founded to drill for oil overseas. The company went into the lucrative distribution business, formerly entirely in the hands of foreign oil companies. Shareholders' profits leapt by 900 per cent in four years.

But for the critics, this was a distortion of the whole purpose of the state oil monopoly, created after a turbulent national campaign in 1953. They said it was created to find oil, not provide shareholders with handsome profits, and to find oil in Brazil, not abroad. While profits grew

900 per cent, investment in exploration inside the country had increased by only 300 per cent.

Senhor Ueki, who made frequent trips to the Middle East, was well aware of the oil crisis on the horizon. His argument adopted by General Geisel, was that Petrobras's aim was no longer self-sufficiency but the guarantee of adequate oil supplies—from whatever the source and whatever the price.

In return Petrobras's bargaining power as the world's largest oil buyer could be used to obtain better trade agreements with Middle Eastern or African producers, a policy that has not yet been noticeably successful.

When General Geisel became, in 1974, the fourth military President, he wanted Senhor Ueki, whom he had come to trust completely, in his Cabinet. The ubiquitous Senhor Ueki was considered for various ministries, but the President finally decided to make him Minister of Mines and Energy.

As minister, he has introduced projects that will see him recorded in the history books as the man who decentralized two of Brazil's strategic resources—oil and uranium. He persuaded President Geisel, against bitter opposition, to open up oil exploration to foreign companies through risk contracts, and he led the secret negotiations for Brazil's nuclear treaty with West Germany, disclosed to a surprised nation in 1975. Brazilian nuclear scientists, who had many criticisms of the treaty, had not been consulted.

But Senhor Ueki's impressive grasp of figures often bemuses even his opponents. His influence on President Geisel is considerable. What counts for Brazil's super salesman is putting the country on a business footing.

## DEBT FINANCING

## Happy days have their price

do Kucinski

Happy days of the economic miracle. Neto, then Minister, used to dismiss of his foreign policy arguing you must owe more the better. Alone, more than excess of needs were to be filled. Brazil's foreign debt, the obvious establishing the reputation as an oil borrower in the oil crisis are short: in five years the foreign debt \$30,000m has second only to the total debt of the world, as listed by the World Bank.

There does not look like when looked at the overall picture. Latest data from the Central Bank shows foreign debt, short-term liabilities, \$67.1m up to last December, even higher than the foreign reserves of \$6,470m and the total debt of \$29,670m, the balance deficit reaching

equivalent of 21 per cent of the country's gross domestic product, as compared with less than 10 per cent of the gap in 1972.

The Government at first argued that the debt increase was caused by the rise in oil prices. To some extent this is true as payments for imported oil rose to nearly \$2,800m in 1974. Nevertheless, there were other reasons as good as this one.

"The development model itself aggravated our dependence, to the extent that the motorcar and durable goods industry grew at an extraordinary rate up to 1973, which was not followed by capital goods and raw materials output," Senhor Mário Henrique Simonsen, the Finance Minister, said last month, in a speech to several of the country's generals, at the Superior War College.

This model, which Senhor Simonsen said "was then the easiest way to grow", was based on an ever-increasing output of non-productive goods by multinational companies, from cars to disposable coffee cups, to be almost entirely consumed by a small and prosperous middle class.

The first consequence for the balance of payments was that the services account, traditionally showing a tendency to deficit, went even further into the red.

More serious was the appearance, for the first time in decades, of a trade balance deficit reaching

\$4,500m in 1974. The largest item in the import bill was not oil. Capital goods and steel products accounted for 37 per cent of total imports, 37 per cent for 22 per cent only.

The overall result was a threefold increase in the total current account deficit, which reached \$7,144m in 1974. Despite some efforts by the Government to recycle sectors of the industry, the current account deficit remained stubbornly above the \$6,000m mark in 1975 and last year as well. A small part of this gap has been covered by direct investment in hard currency.

The rest of it—about \$5,000m each year—had to be filled with new loans. One alternative would be to stimulate further the export drive and at the same time curb imports by sharply devaluing the cruzeiro. But this could mean ruin for companies that indulged in large borrowing abroad and would have to redeem their dollar-linked debts with a devalued cruzeiro.

On the other hand, Brazil already increased its world share in manufactured exports by about 40 per cent, largely because of deliberately imposed cheap labour and generous tax incentives. A number of countries, including the United States have recently set up additional tariff barriers against Brazil's manufactured goods, in particular shoes, after allegations of dumping.

But the real rescue has come from the extraordinary increase in coffee prices—and more important, the emergence of Brazil as the second largest world exporter of soy beans, after the United States.

But this result has only been made possible through a simultaneous policy of penalizing imports with heavy surtaxes—a policy that depressed the rate of growth of the economy and added to the rate of inflation.

The problem now is that while the trade deficit has been reduced, the services deficit has been growing almost at the same rate, largely because of the size of the debt. Recent Central Bank studies show that Brazil will have to spend well over \$2,000m a year from now on to pay the debt interest.

On top of this repayments of the principal will take an average of \$4,000m a year up to 1979. The total amounts to almost a half of expected export earnings. It was for this reason that last month the Government imposed a period of grace of 30 months on any new loans.

This year trade results have added to government optimism. Nevertheless, most independent economists doubt the country's ability to double again exports, as needed in coming years.

On the other hand, the limited economic recycling being attempted with great

difficulty by President Geisel not only lacks working class support but has recently lost that of the vociferous middle class, whose gains have been sharply squeezed since last year. Not even established industry, geared to high gains under Dr Delfim Netto's model of development, is fully supporting the Government.

Until recently it was widely accepted that the foreign debt burden, contributed to the Government's reluctance for any political liberalization. Now, on the contrary, the fate of the debt might have become dependent on developments on the political front.

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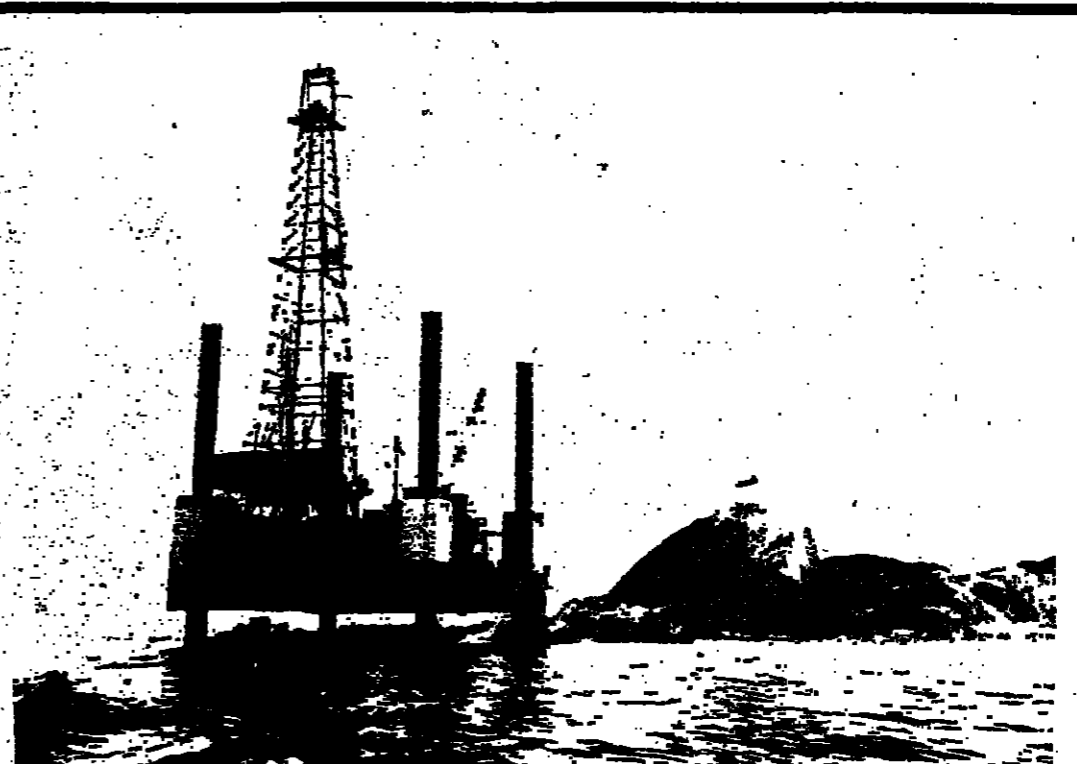
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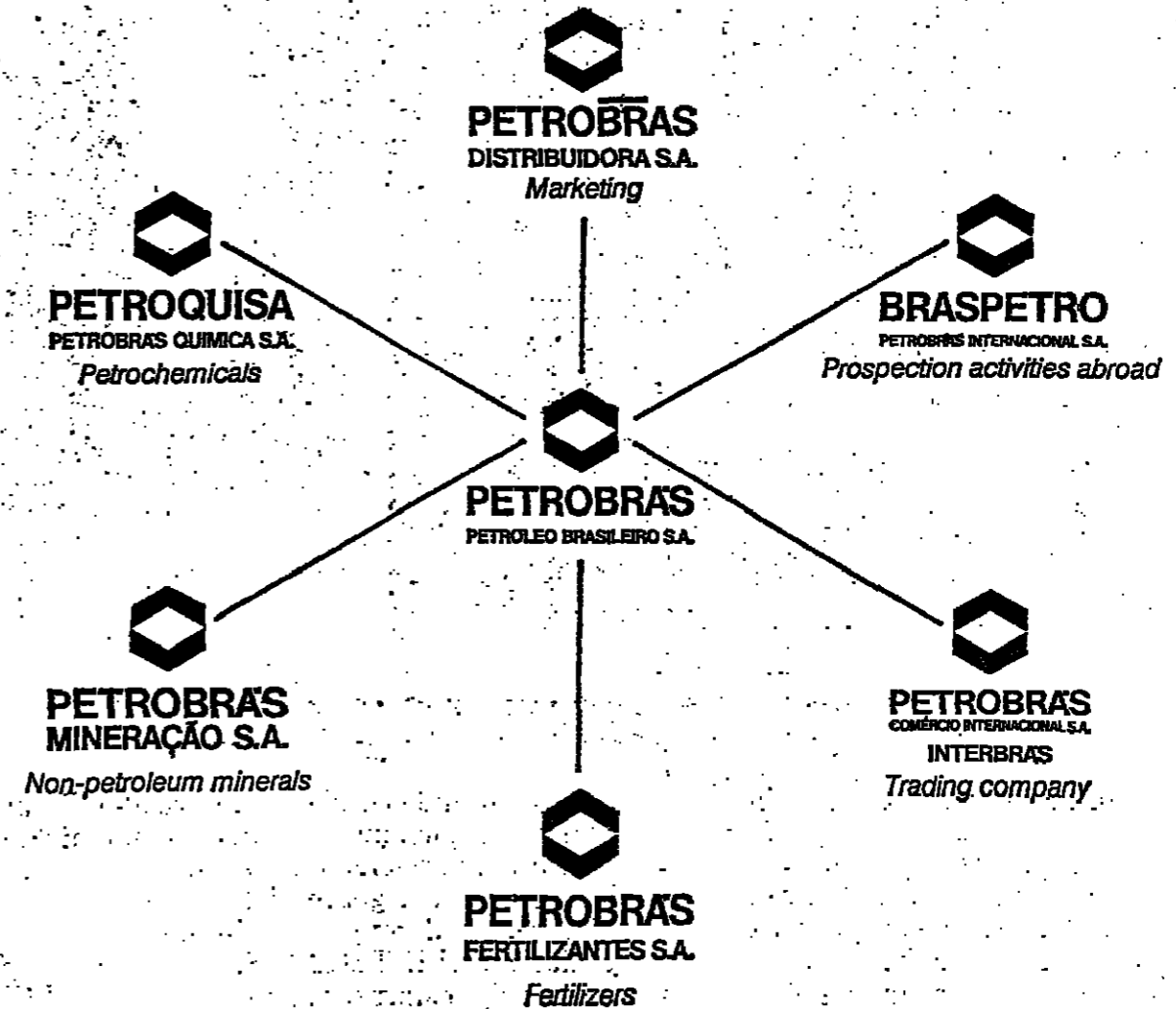
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## Lord Chalfont

Careless  
talk that could cost  
us dear

May 17  
 O'Hallorson, Faulds, Cormack,  
 Harris and I meet with Lord  
 Harris. This is clearly the  
 crunch. Harris looks agitated;  
 this is disengage business;  
 which he cannot defer—the  
 answer to his parliamentary  
 colleagues is an unequivocal  
 "No," but it won't do just to  
 send them a letter. But it is  
 rogate me." When things are  
 calmer, I say, "I want the  
 right to get hold of an archi-  
 tect competent to challenge  
 that's what a stay of execution  
 is about." Harris then hands us  
 his letter dated May 16. The  
 answer is no preservation, no  
 stay of execution. There has  
 been "ample opportunity to

consulted architects and hotly dispute the figures. We urge again that if the gatehouse

The author is Labour MP for Basildon  
© Times Newspapers Ltd, 1977

The kind of things we can learn are touched upon elsewhere in the chapter. Small and weak countries, we are told, with all the earnestness of an undergraduate thesis on international relations, can sometimes exercise an influence disproportionate to their power—the Maltese initiative on the Law of the Sea, now advanced as evidence. Furthermore, it seems, a strong and appealing country can give a country influence, for example, Nkrumah's Ghana.

## CR III

## A morsel of doubt falls on Sir Francis Drake's Plate

The discovery was announced to an excited meeting of the California Historical Society

Microscopic examination of the metal showed inclusions dissimilar to those in old brass, and absent from modern cast-brass-made brass; it also showed a grain structure that could not be obtained by the rolling process introduced in the late-seventeenth century. The chemical inhomogeneity of the metal and the presence of 102 parts per

approach to world affairs, whatever follows is not surprising. It is, however, profoundly disturbing; if only because there is some danger that it might be taken seriously. The principal recommendations of the report follow a depressingly predictable pattern: cuts in defence costs and attaches we conclude that the present scale of entertainment by attaches did not make a cost-effective contribution to the UK's objectives<sup>(\*)</sup>; cuts in consular services<sup>(\*\*)</sup> would, of course, be idle to pretend that if cuts on the scale suggested were made, some British subjects would not suffer grave distress<sup>(\*\*\*)</sup>; abolition or drastic reduction of the British Council and transfer some of its functions to the Ministry for Overseas Development<sup>(\*\*\*\*)</sup> ("The advocates of cultural diplomacy argue that a country's interests can be served by making other countries aware of its policies and intentions, and this argument<sup>(\*\*\*\*\*)</sup>"); cuts in the BBC World Service<sup>(\*\*\*\*\*)</sup> "round the clock broadcasting . . . is expensive and is not essential to achieve the priorities and objectives of external broadcasting as we have defined them"<sup>(\*\*\*\*\*)</sup>; the disappearance of a political service<sup>(\*\*\*\*\*)</sup> "because its intellectual activity is not very important"; abolition or drastic reduction of the diplomatic radio service ("at a time of severe economic restraint we should, it is right to consider possible savings both from lower standards of speech, reliability and security"<sup>(\*\*\*\*\*)</sup>); finally the merger of the Diplomatic Service and the Home Civil Service ("the Diplomatic Service has a particularly strong esprit de corps . . . an elitist attitude towards the Home Civil Service . . . there is considerable overlap in the sense of a sort of middle-classness in the prevailing values"<sup>(\*\*\*\*\*)</sup>).

Now, I concede that these are selected extracts from a voluminous and detailed document. I recognize too that the CPRS report has some perceptive things to say about over-entertainment by attaches, that it all the more depressing that

## Norman Hammond

# LEAPMAN IN AMERICA

This, I quickly realized, was not for me—any more than the New York Times was. I could recall a painter practising brush strokes" which were warmly recommended on another page. Somebody suggested that it would be better to rent real furniture instead of buying it, so we chose a furniture rental agency from *Yellow Pages* and went to what they offered.

The New York Times man showed us some high-class stuff, and seemed specially keen that we should get a glass-topped table. I was used to the New York habit of distinctively different. What would happen if we dropped something heavy on it? Would it smash into tiny pieces? You learn to be careful, was his disarming reply.

We worried too. The largest available dining table seated only six. What if we felt in the mood to host elegant dinner parties for more people than that? "In New York," a poetical housewife explained, "if six people would more than six people for dinner you

What the thrifty New Yorker is buying this year are butcher-block-tables furnished with a mosaic of short strips of wood, ice-cream parlor chairs and pillow-sofas. These last are heavy wooden frames into which are placed a number of large, over-stuffed cushions which can be converted, like nearly all New York sofas, into spare beds if necessary. For regular sleeping, the fashionable thing now is platform beds—a plain wooden platform holding a foam mattress.

These styles come and go in New York. We bought a selection of the stuff, fairly certain that when the time comes to get rid of them they will have been superseded by some other fad, and will be a drag of the market.

The first pieces of furniture we actually took delivery of were two wastepaper baskets made from the oatmeal used for packing. Beskin-Robbins, the firm which gave us the first order, is the company. (Beskin-Robbins is one of those outfits that make

give them a buffet. They're just glad to get anything at all, believe me."

Though grateful for the advice on local customs, we decided that renting furniture was not after all economic, so we traded the cheap furniture advertisements in the Village

you feel that your every need is being cared for," he told the children. "and all you have to do is which will ensure a free, no-cash-on-hand, no-cash-on-hand. Another leaflet advertises services offered for hosts at ice-cream parties. And as you go out there is a notice saying: "If you would like to give a party like this please call."

After furniture, the next life-supporting piece of equipment we needed was a telephone. The telephone company, which has a small office on Roosevelt street, sent two men in to arrange a connection. One of the men, the man assured us, though he presumed that it could not be done in less than four days. By London, however, the date, having been lightning fast, turned out to be a mere 48 hours. How many times we would need. "You will find one in the kitchen," he assured us. "People are having yellow in the kitchen just now."

We told him that we had directed a perfectly furnished life support unit, and we found one in the kitchen. One of the men in the living room, and one down stairs, in one of the bedrooms, would suffice.

"You can just see one bed-



well, no its







## SPORT

## Racing

## Flying Water filters through gap and swamps field

From Desmond Stoneham  
French Racing Correspondent  
Deauville, Aug 7

The most scintillating performance here this weekend was that of Flying Water, who took the Prix Maurice de Gheest yesterday. Winning for the first time since last year's 1,000 Guineas at Newmarket, the daughter of Habitat took the lead 50 yards from the post to beat Girl Friend by a length.

As often happens, Flying Water was not the quickest away from the stalls. After a furlong the Italian-trained yearling headed off from the stalls, with Girl Friend and Polyponer, with Girl Friend racing up the middle of the course. A furlong out from the start, Flying Water was challenged by Girl Friend, but Yves Saint-Martin had found a gap to squeeze Flying Water through.

Once the filly saw daylight she sprinted past Girl Friend, who was then giving 9lb to the winner, and won by a lot in hand. All being well, Angel Penna will fly Flying Water to the next Sunday to the one-mile Prix Jacques de Marois, where the filly will meet Blushing Groom.

Probably the most significant point about yesterday's racing was the victory of Super Concorde in the Prix de Cabourg. The magnificent son of Bold Reasoning had only to come to the start and his opinion is one of the best two-year-olds seen in France for some years. François Bouvier emphasised that the filly was not the best in mind, and his principal career in 1978 could well be the Epsom Derby, which will be run on the next eight days on whether or not to run Super Concorde in the Prix Morny on August 21.

He also has the Prix Royal-Popain, which the stable has won with Nivola in 1973.

Sauvage, whom English race-goers met last year at the 1,000 Guineas and finished third in the 1,000

## Northern trainers out in the cold

By Jim Snow

There has been during the past year or two a growing discontent among trainers in the north, that in terms of money and freedom to make a decent living at their profession, they are left out in the cold. More guns, better ammunition, and bigger battalions are commanded by trainers in the south.

The small trainer north of Trent with perhaps 20 horses under his care, half of which do well to win a small race every other year, does not ask for special favours. Hard pressed though he has been to make ends meet, he has accepted the fact that the weekly wage of £40 for a 40-hour week for his lads.

No one would question that this is an eminently fair agreement, since the average weekly wage today for workers in all walks of life is a good deal more. But the worry now for the small trainer is what will be the outcome of tomorrow's meeting in London of the members of the National Trainers' Federation, the president of which is Michael Pope, and the debate there will be on the question of minimum weekly training fees.

Pope has recommended that the weekly minimum should be raised from £38.50 to £45.50. The increase is suggested because of the increasing costs of food, transport, wages, and so on.

It is a figure that frustrates the smaller trainers in the north and in the Midlands.

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## Jewelled Turban has good form

By Jim Snow

Jewelled Turban, Goldsmith's Plate and Bedlam, who won the Walsley's Mar Greg, was the pick of the field for today's Northumberland Sprint Trophy Handicap for two-year-olds at Newcastle, which with £10,000 added is the most valuable race to be staged on a Monday during the season.

Goldsmith's Plate ran a fine race at Redcar when giving 13 lb and a head beating to Vandyke, who was second, and to the third, the Stripling Handicap, at Goodwood. Before that, Goldsmith's Plate had won at Doncaster.

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## Bigger boats getting into their stride

By John Nicholas

Most of the 300 yachts in the Fastnet Race sailed past Plymouth during the day yesterday on their way to the Azores. They were already spread out over a large area of sea and by the time they got back to Plymouth, at the end of their 100-mile race, they will be even more widely separated.

The weather at the time was not conducive to a fast passage, and no record for the course will be set this year.

Information on progress is scanty. The various organizations that are trying to piece together the pattern of the race have not yet got into their stride, and only one thing seems certain at the moment: that the Italian boat, El Moro, is leading the fleet.

El Moro is a 24-foot boat, built in 1964, and is owned by the Italian Navy. It is captained by Captain R. Gardini, and is crewed by a team of Italian sailors.

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## Newcastle programme

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(Current market price multiplied by the number of shares in issue for the stock quoted)

§ Forward bargains are permitted on two previous days.

(Current market price multiplied by the number of shares in issue for the stock quoted)

Week  
end

## Can



BY THE FINANCIAL EDITOR

## Why equities could go higher

In early July, with the social contract in ruins, I argued that the outlook for the stock market was not necessarily bearish. One point was that equity values had at that time already fallen by around 7 per cent from their peak in May, and were thus discounting the effects of the Government's failure to get another firm round of pay restraint.

Moreover, though fierce in terms of unemployment, the recession is such that under free-collective bargaining the majority of the workforce cannot expect to achieve the sort of pay increases that are now being demanded. So now, after the consistent rises throughout last week, the equity market is within sight of its peak during this bull phase.

One could argue that the realities of the pay battle which may well develop during the autumn have yet to sink in, but while cases of brinkmanship will certainly prove unsettling later on this year, the market is probably right to take the view that moderation will prevail.

And from another standpoint, right, too, perhaps to think that institutional buyers and, indeed, foreigners, are in the mood to take a more positive view of British equities, even though gilt yields remain attractive.

Given the sort of liquidity they now have available institutions have it in their hands to make an enormous impact on the market at this juncture; a possibility, then, that could see equities move well clear of the plateau of the past few months.

### Property

### Interest rate fallacies

It has become a tenet of faith in the property sector that falling interest rates automatically equal rising property share prices. Last week that faith was reflected in renewed support for the sector enabling it to take the lead as the market raced up ahead of falling rates. But sentiment apart, does this simplistic equation really add up? I do not think so.

The interest rate-share price relationship appeared relatively clear-cut two years ago when short-term variable rate borrowings accounted for two fifths of the sector's debt. But that apparently sector-wide sensitivity to interest rate movements has been dulled by subsequent de-gearing programmes. The sensitivity has, in any case, always been highly selective in its impact.

In 1974-75 just five companies—English Property Corporation, Capital & Counties, British Land, Town & City and Capital & Counties—accounted for nearly 70 per cent of all the short and variable term debt of the quoted property companies. With some obvious exceptions—Amalgamated Investment & Property, Town & Commercial and a few other smaller victims of the property crash—most of the rest of the sector had short term to total debt ratios on a par with the average industrial company.

If these "safe" companies' total debt to equity ratios gave the appearance of dangerously high gearing, the weight of historically low coupon, long dated mortgage finance making up the bulk of that gearing more than counterbalanced that image. Such quality of debt was one of the strongest arguments in their favour as investments at a time of high interest rates.

It emerges, therefore, that the main immediate beneficiaries of falling interest rates are the higher risk over-gearers. Lower rates dilute the investment case for the "safe" companies with large tranches of cheap mortgage money. And so the argument that falling rates equal higher property share prices could be turned on its head.

The higher the level of interest rates and the faster the rate of inflation, the more solid well-funded property companies with cheap debt and good quality portfolios appear.

The real key to interest rates and their relationship to the sector lies beneath the immediate impact on revenue accounts in the physical property market. Lower interest rates cut the yield gap between investments in property and in alternative homes for institutional cash. It is, for example, easier to justify purchases of prime property on their current initial prime yields of just 5½ to 5 per cent when returns on Government

securities are 13 per cent, than when gilt edged stock offered 15 to 18 per cent.

A buoyant property investment market enables the over-borrowed groups to de-gear and underpins asset values of their more fortunate fellows.

But by now the bulk of institutional quality forced sales have been seen, either directly, as with CCPC's recent flow of disposals, or indirectly by the institutional gifting of companies moved to them by debt, as with the Prudential and Barclay's Bank's debtor, Town & City, and Eagle Star's Bank's debtor, EPC. At the moment, however, institutional buyers have already bid yields down to levels which reflect the scarcity of available prime buildings rather than expected reversionary potential.



Mr David Llewellyn, chief executive of English Property Corporation and (right) Mr Jeffrey Sterling, chairman of Town & City.

The relationship between interest rates and the fundamentals for the property sector is clearly far more complex than sentiment suggests. In this round of rate reductions one of the very few clear beneficiaries will be British Land.

Having been unwilling—or perhaps unable—to make much impact on its debt burden by de-gearing through the slump, the group may at last be able to tie up the refinancing package it needs and has been struggling to arrange without too hefty an equity dilution.

### Base rates

### Implications for clearers' profits

Last Friday's ½ per cent cut in MLR, along with the possibility of another fall this week, has stopped the clearers' playing Canute any longer, now that base rates are so out of kilter with those in the money markets. The clearers will be giving their usual "considered" look at base rates today, hoping against hope to see some tightening in the money market for example, but a ½ point cut to 8 per cent is inevitable. Indeed, based on past relationships with inter-bank rates, there is headroom for a cut of between 1 and 1½ per cent.

Part of the reason why the clearers have been able to withstand the pressure on base rates recently is that there has been some lending to blue chip corporate customers at rates linked to those in the money market, so straining the loss of business.

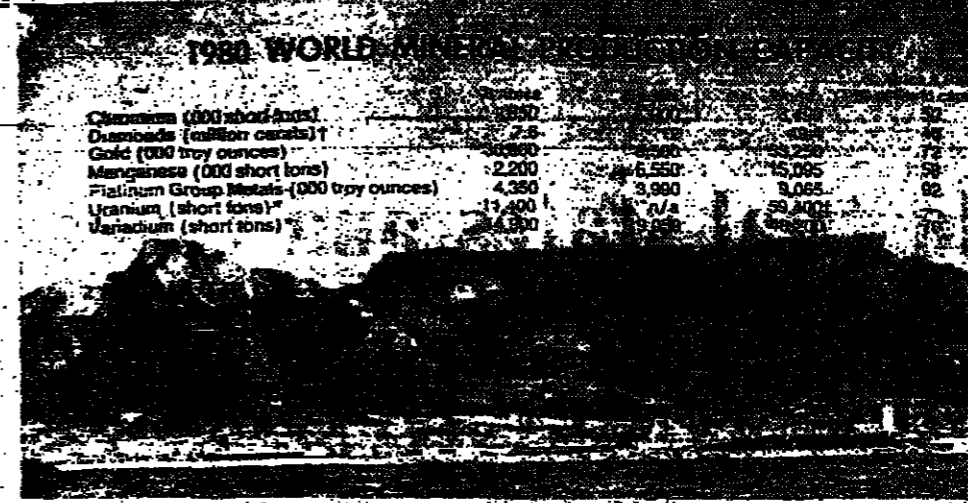
The clearers too, have been aware that there is a limit to which business can continue to flow to the foreign banks in London since they will soon come up against their "corset" limits. Meanwhile, the clearing banks are also privy to the next set of banking figures which are thought to show some acceleration in the pace of lending to manufacturing industry.

Plainly, though, the reluctance of the clearers to drop base rates is linked to the fact that they now have much less leeway on the deposit rates they pay. Even the notoriously steadfast personal depositor is going to be moved to shift to the building societies or national savings if rates are chopped below the 4 per cent level.

So it looks as though the banks will have to accept a narrower margin than the 4½ per cent they currently enjoy, for the time being at least. Even so, this will be partially offset by the much better mix of deposits of the clearers after the steady increase in current accounts over the past year, and so the endowment benefit of the free money thereof, while Barclay's and National Westminster's higher dependence on wholesale money is a further cushion.

# Minerals—key to S Africa's strategic position

In the first of two articles on South Africa, Desmond Quigley, Mining Correspondent, discusses the country's mineral might



South Africa's contribution to the S Africa total: 3,408 short tons uranium; 800 short tons vanadium. 7 1976 production. Source: Mineral Facts and Problems, Bureau of Mines Bulletin 687, United States Department of the Interior.

Four countries—the United States, Australia, South Africa and Russia—dominate the production of non-fuel minerals in the world. If the definition is redrawn to include such neighbouring countries as Namibia, Angola, Zaire, Zambia and Rhodesia with South Africa, then southern Africa's importance as a mineral supplier to the world becomes even greater.

In the 1960s the debate over the strategic importance of South Africa to the West centred primarily on shipping lanes and military facilities—basically port access for western navies and air bases and servicing facilities for aircraft.

The emphasis of the debate has shifted towards the supply of minerals to the West as communism's influence has spread through the African continent. It is an argument being increasingly used by South African propagandists and supporters of the Pretoria regime. It is, nevertheless, a very real issue.

Surprisingly for a major industrial and political grouping with poor indigenous resources, particularly of strategic raw materials, the EEC as a whole has no minerals procurement policy, nor does Britain.

The EEC is totally dependent on seven imported minerals: chromium, cobalt, manganese, molybdenum, platinum, titanium and vanadium. In terms of import dependence, copper, tin, iron, phosphates and tungsten are not far behind.

However, given South Africa's important role in world mineral extraction, Europe's reliance on South African supplies is not surprising. It has been estimated that 52 per cent of its manganese comes from South Africa, which also supplies 31 per cent of its chromium requirements with the eastern block accounting for a further 24 per cent.

Direct imports of platinum group metals from South Africa account for 24 per cent of the EEC's needs, while the Russians supply 83 per cent. However, Europe's reliance on South Africa for platinum

group metals is heavily understated in this instance since most of the remainder comes indirectly from South Africa.

In an increasingly complex political area, concern is growing about the EEC's dependence on South African minerals and the long-term reliability of supplies. As communism's influence extends further south through the continent, South Africa is seen as the key to the area.

The argument is that if the West turns its back on South Africa because it abhors its racial policies and the country subsequently falls under left-wing influence, other southern African countries, important in mineral terms, would be unable to withstand communist subversion—a variation on the domino theory.

Rhodesia, rich in minerals, is important as a producer of chromium, a mineral of high strategic value. The Bureau of Mines, of the United States Department of the Interior, has described chromium as "one of the nation's most important strategic and critical minerals".

South Africa and Rhodesia have by far the greatest level of identified high chromium and high iron reserves in the world.

Out of a total estimated

world production last year of 8.3 million short tons of chromium, South Africa is believed to have produced 2.4 million tons, Rhodesia 0.65 million tons and the eastern block 3.1 million tons, a combined equivalent of 69 per cent of world output.

The strategic importance of chromium was well recognized by the United States which, through the Byrd amendment which was only recently repealed, allowed its industry to break the Rhodesian sanctions by importing that country's chromium.

Before the Byrd amendment was repealed, large-scale buying of chromium throughout the world is reported to have taken place giving rise to the belief that the United States was building up larger stocks.

Ironically the Russians are reliably believed to be large importers of Rhodesian chromium which is blended with their own output to raise the purity and then exported to the West.

Zaire is an important neighbour in that it dominates world cobalt production. This year it is expected to produce 14,000 tons of the metal, cobalt (Zaire accounting for a further 1,850 tonnes) out of total world output of 22,700 tonnes. Zaire also has by far the largest

reserves of industrial diamonds and is the largest producer. However, the stones are largely of low quality and while Russia ranks as number two in terms of total output, South Africa is the largest producer of good quality industrial diamonds.

South Africa and Namibia are the world's number three and four in the western uranium stakes. While both trail behind the United States and Canada, their importance is increasing particularly as the world's supply of uranium is constantly changing and, despite the long run-in times of most mining projects, the statistics are likely to understate the position: the uranium projection has already been updated.

At Juppoo, production figures of Russia and South Africa are not to suggest that the steppes are about to march across South Africa's vast mineral basin. Rather it shows

the potential for dispersing supplies to the West. If installed in Pretoria, it was more sympathetic to the selected are of strategic resources—for example, it known substitute for it and the United States reserves of ore contain more than 35 per cent of opportunities to implicate high price create a temporary

Long-term disruption of supply, therefore, is a possibility, a very short lesson of how this could influence could be over developing alternatives of supply. The quantity is abundant but its occurrence is low grade and would be uneconomical to extract prices.

Therefore to develop lower grade supplies, increase the price of minerals substantially, long lead time of most ventures would not be a painful interim adjustment.

Tomorrow, Caroline looks at South Africa's ties with the West.

Christopher Thomas

## Union membership on the cards for more managers

Once, it was *infra dig* for white collar workers to be members of a trade union. Nobody thought about it now. But there still lingers a belief that it is not quite right for managers to be unionized.

However, two years of pay restraint in which managers have suffered severe disruption in pay differentials and motivation are helping to concentrate minds on the possibility of joining up.

The Management Consultants' Association, whose members are as close to the pulse of management as anybody, reports a substantial drift of managers to the protection of unionization.

Often, managers feel they are betraying their loyalties to the firm but nevertheless want the union card as, if nothing else, an insurance policy. Rarely do they become actively involved in union affairs, but there are a number of examples of managers now flexing their industrial muscles.

They find themselves in a peculiar double role. On the one hand they are adopting management lines in negotiating with the unions, yet more and more they are finding themselves sitting on the other side of the bargaining table in pursuit of their own ends.

The Management Consultants' Association has drawn up a list of problems arising from reentry into collective bargaining after the ninth phase of pay restraint in 11 years. One of them comes under the heading of "Reviving management skills in pay negotiation".

Mr Duncan Wood, a member of the association, says: profes-

sional groups and managers are no longer shame-faced about admitting union membership. They believe companies are forced to pay most attention to organized groups and that union membership is necessary to get legislative protection, for example, on redundancy or disclosure of information.

He said: "The manager in negotiating with the blue collar workers and in discussing the issues with his directors is conscious (as will be his directors) that he has a dual role and that his own pay and negotiations will be affected by his settlements with other employee groups."

Managers, he asserts, like to feel that they have an individual and personal relationship with their boss. "Their tradition is to be rewarded according to their merit, and more formal, structured procedures imply a bureaucratic Civil Service-type climate which offends the entrepreneurial spirit."

Mr D. R. E. Calh, another member of the Management Consultants' Association, tells of a major subsidiary of a big national company in the process industry, involving food, drink and tobacco.

"Most middle and lower management are job evaluated. They are given a grade and they are paid by bracket. The scheme was designed with little consultation. That does not necessarily mean it is a bad scheme but it is certainly discredited. Many managers regard the evaluation of their own jobs and therefore their salaries as unreasonable low. This, plus pay restraint, has made them turn increasingly to unions to enhance their bargaining power and thereby influence their own pay and status."

"As for pay, they see drivers in the distribution fleet as having had a succession of successful pay agreements, usually based on work study based incentives. Drivers' gross pay is now well ahead of management's, even at quite senior levels, and they usually knock off by 3 p.m. Or so we are told by management, who often talk of resignation and reemployment as drivers."

"But, of course, they do not take such a step when it comes to the crunch. Instead, they unionize, and with their collective strength they begin to act awkwardly. One such response was to withdraw collaboration from a participation project aimed at making the company more profitable. Happily, wiser counsels have prevailed and they are now working on this."

"But there is resentment still. Many who have unionized do not want to be in the same union as lesser mortals such as foremen. Others do not want to unionize at all, but in fact have to, as they are in a different union from those already accepted by the company. So

now there is an inter-union argument about who gets the negotiating right. The situation is a mess."

Another case history, provided by Mr M. J. Firth, of the Management Consultants' Association, is of a company in a service industry marketing and selling household products. He says it has a long record of growth and expansion in sales and profits.

"At the end of stage two (July 31) the company will wish to pay its managers enough to satisfy most of their expectations—by all-round increases if possible, for convenience and administrative simplicity. If necessary, the company will supplement all-round increases with profit schemes, indexing or any other convenient means."

"If it is felt desirable from the company viewpoint, it is likely that managers will be given more than 10 per cent of current remuneration. With a total bill for all employees of 20 per cent of turnover and a healthy profit margin, the company feels it can afford to do this."

"The company is not large,

nor is it in the public eye. Price Commission intervention is unlikely. The does not see the Govt guidelines and fiscal relevance to its situation."

These are only two of many case histories and every case has its peculiarities. It is a fact, and indeed it is for small firms, that public eye to retain managers through benefits and expense.

What does this tell us? It tells us that the trial rationing of the workers' funds in terms of remuneration between managers and others is a vital industrial relation cial fiddle for a mine no way to squander it. The last word is Mr Wood: "If managers that 'business' company, are unimpaired that they can only get a desert through fiddle they will lose their self And that will be much difficult to regain if differentials."

The author is a member Times Labour Staff.

## Business Diary in Europe: Banking on Haeusgen

Helmut Haeusgen knew the moment he learned of Jürgen Ponto's violent death that he would succeed him as spokesman for the board of Dresdner Bank, West Germany's second largest bank.

It follows from the bank's rules which say that the senior member of the board succeeds the spokesman—this without limitation to his term of office.

The public in general may hardly have heard of Haeusgen. Yet he is well known among international bankers; international business was his prime concern before taking over the top position of Dresdner Bank a week ago.

Born in Alexandria, Egypt, in 1916, he joined the local branch of Dresdner Bank as an apprentice. Now 61, Haeusgen has been with the bank for over 40 years.

After the Second World War he headed the bank's Munich and Düsseldorf branches before taking over the new Middle East branch in Cairo in 1954. He returned to Munich in 1960, four years before joining the

bank's board in the same year as his late predecessor. Fluent in more than one language, Haeusgen is given credit for the extension of the Dresdner Bank's international activities to London, New York, Tokyo, Singapore, Chicago and Los Angeles.

International business also means international cooperation to him as illustrated by his part in the founding of the Societe Financiere Europeenne (SFE), and of the Associated Banks of Europe Corporation (ABECOR). Last October he became president of the European Communities Banking Association.

Haeusgen is also a member of a number of supervisory boards. It is predicted, however, that he is unlikely to fill as many supervisory board positions as Ponto held in big banking and industry, and which gave the late Dresdner Bank's manager much influence in the West German economy, more so perhaps than the representatives of the bank's rival, Deutsche Bank.

Even so Dresdner Bank is no mean force with close to DM60,000m (about £15,000m) of business, almost 1,000 domestic offices, six branches and over a score of agencies abroad.

Italy's inveterate smokers can have a sigh of relief. Automatic vending machines are legal again.

In July, a magistrate in Genoa accepted a complaint that they offended article 730 of the penal code which prohibits the sale of cigarettes to people under the age of 14, and ordered that the machines should be sequestered or deactivated.



Hollywood

"If you must know, I bought my car from the Germans in the misguided hope that they'd lead the EEC out of the recession."

But lawyers for the Italian Tobaccoists' Federation and the state tobacco monopoly took up the case, and magistrates in Palermo and Florence overruled their Genoa colleague.

Thanks to a little legal hair-splitting, automatic vending machines are all right. For, the Palermo magistrate decided article 730 was directed against "whosoever effectively sells or administers tobacco derivatives to a minor", and not the mere offer of a sale, which is the furthest an automatic machine can go.

The penis war has broken out in the South of France under the Midi sun. At stake is the huge market for antisette aperitifs, the traditional drink of the area.

For some 25 years Pernod, with its "51" marque and its trademark of a recent times, Ricard have been the runaway brand leaders with all others trailing behind. For every nine

bottles of 51 sold, Ricard has sold seven or eight and Cassinis about three. Now, suddenly, Cassinis, in a flurry of banners and publicity, has come up on the rails and is pushing the leaders hard.

Force behind the sales drive is the brand's representative in the Hérault region, Maurice Lacroix. He has made his home town Lunel-Viel the main battleground. The inhabitants, known as *pesculiers*—fishers of the moon—are being recruited into his army and the younger they are the better.

Their uniform is a Cassinis T-shirt and cap—antisette advertising is forbidden but tolerated under French law—and their banners are the streamers strung among the plane trees at dead of night by Lacroix.

Each morning the armies march out of town to the bull branding sessions nearby in the Camargue. They have a picnic washed down with plastic jerrycans of Pernod. At

lunchtime they walk back to town for a pre-lunch session in a cafe which sells only their chosen brand.

The 51 team are not taking all this lying down. Their publicity budget has been boosted for the counter attack. T-shirts and key rings are winning them the hearts of supporters. The groups of their side tend to occupy the Cafe des Sports, immediately across the road from the Cassinis headquarters in the Cafe du Commerce.

Fading parties from each side have burnt banners and blown microphones. Urban guerrilla warfare is threatened next year when Cassinis get a radio telephone link in their publicity van. Moonshiners this year are being treated to street theatre of men in saris and bangles sucking the teats of bottles of Pernod. Women compete in races to blow up balloons.

Meanwhile, as fire bo: "s disappear at an average rate of one every 10 minutes on the streets, sales are booming and the local doctor is having to deal with an increasing number of young alcoholics.

Further to our item a couple of weeks ago about experiences with the thoroughly bourgeois *Knokke-Zandvoort*. "We are living with nine children in our home; we have eight bedrooms, eight sleeping rooms and the like. But when we bought this house from a company we were obliged to sign a contract stating that we should live here (1) alone or with perhaps one child (2) "dune maniere

## INTERNATIONAL TIMBER: A much better year

Extracts from the Annual Statement by the Chairman, Mr. R. E. Gro

### Results

1976 was a year of great economic uncertainty. In these conditions your Company and others in the trade adopted a cautious attitude. This, together with an improvement in demand, made for favourable trading conditions. Stock profits were made but the real benefits came from improved profitability generally throughout the Group and greater utilisation of facilities, especially manufacturing units. In fact, every company contributed to Group profits and it is pleasing to report a considerable improvement from the European Division.

### Balance Sheet

During the year medium term loans totalling £10 million were taken up, resulting in a reduction in the use of bank overdrafts despite the need for more working capital to finance raw materials at considerably higher prices and the consequent increase in receivables. Current Assets of £69 million are up by nearly a third and are approaching twice Current Liabilities. The improved liquidity of the Balance Sheet is in line with objectives and is planned to continue.

### Dividend

Your Directors are recommending that the total dividend for the year be increased by the permitted maximum. As a result of the reduction of income tax announced by the Chancellor on July 15th, this is now 8.3p instead of 6.2p stated in the preliminary announcement. With the interim dividend of 2.5p already paid this requires a final payment of 5.8p. The dividend for the

year requires £890,000 and the £2,555, transferred to reserves shows a cover virtually four times.

### Future Prospects

The current year has to be viewed with caution as the level of demand will well down on last year and so an improvement on the results now reported will not be easy to achieve. On the other hand the Group is geared to these conditions, the cost of the changes carried out last year will not be repeated and time and effort devoted to these by management will be reduced. The full results of Group restructuring to ensure that we give the maximum service to a varying markets that we serve will be increasingly effective. We look for continued improvements in Europe. A programme to develop or dispose of freehold land surplus to requirements well advanced and will produce benefit during the coming year. The growing improvement in financial controls and development of business planning is having its impact. Above all our management teams are confident of achieving their objectives.

### Financial Highlights for the 52 weeks ended 2nd April 1977

Sales	£140,158
Trading profits	£10,172
Profit before tax	£9,525
Profit after tax	£3,478
Ordinary capital and reserves	£34,779

International Timber and its subsidiaries are engaged principally in the production, importation and distribution of wood and wood products and as manufacturers and suppliers of materials and services to the construction industry, to industry generally and through branch outlets to trade and retail consumers.

Details of the Annual Report for the 52 weeks ended 2nd April 1977, containing the Chairman's Statement in full, is obtainable from the Secretary, International Timber Corporation Limited, Companies House, London EC2A 4RT.

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**ALSO ON PAGE 27**

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Cyprus after Makarios:  
Will the guns  
come out again? Page 10

# THE TIMES

Thursday August 9 1977  
60.077  
Fifteen pence

## Policeman is shot as tension rises in Ulster

shooting of a reserve constable yesterday and the hijackings foreshadow the beginning of Queen's visit to Northern Ireland tomorrow massive security precautions. The latest events came on the eve of demonstrations led by the IRA for today, the sixth anniversary of internment.

## Wounded soldiers were IRA victims

Christopher Walker  
familiar tension over ordinary life in Ireland has reached a peak as both the security and paramilitary organisations make final preparations for the Queen's jubilee visit, which begins tomorrow. The shooting of a reserve constable yesterday and the hijackings foreshadow the beginning of Queen's visit to Northern Ireland tomorrow massive security precautions. The latest events came on the eve of demonstrations led by the IRA for today, the sixth anniversary of internment.



Soldiers on patrol in Hillsborough yesterday beneath flags awaiting the Queen's visit.

Three hundred people were arrested. Early last night Mr Mason, Secretary of State, met army and police chiefs at Stormont Castle to review the unprecedented security operation being undertaken by a total of 32,000 troops and police. Evidence of the intensity of the precautions was clearly visible as commuters made their way to work during the morning rush hour. Random checks were introduced on all major roads, and by the afternoon heavy traffic had built up in areas where the searching was most rigorous. Undercover squads from The Special Air Service Regiment are playing an important part in the overall plan. In addition to protecting normal commercial and pres-

## Owen-Young mission to Africa may follow crucial Rhodesia talks

By David Spanier  
Diplomatic Correspondent  
The long discussions on Rhodesia move to a climax this week, with a series of meetings in London culminating in a strategic review of policy between Britain, the United States and South Africa. New Anglo-American proposals for a settlement are expected to be finally approved, and later published. Dr Owen, the Foreign Secretary, who will be returning from holiday for the various discussions, is understood to be considering a new visit to Africa, possibly accompanied by Mr Andrew Young, the American envoy to the United Nations. The object of the tour would be to discuss the procedures for implementing the Anglo-American plan, with the support of the front-line Presidents. Today Bishop Muzorewa is due to arrive in London for talks with Dr Owen. As the key figure in Mr Ian Smith's proposal for an "internal settlement", the bishop is emerging as a highly important figure. Mr Joshua Nkomo, joint leader of the rival Patriotic Front, may also be in London, while at the end of the week President Nyerere of Tanzania arrives after his visit to Washington. The key meeting will be between Dr Owen, Mr Vance, the American Secretary of State, and Mr Botha, the South African Foreign Minister. The British hope is that the South African Government will use its considerable influence in Salisbury to push Mr Smith into accepting, at this extremely late hour, the Anglo-American plan. Mr Smith has sounded distinctly unenthusiastic about the British proposals, particularly on the idea of bringing in guerrilla troops to help maintain law and order in the interim period before majority rule. He has as usual made his rejection sufficiently ambiguous to encourage some hope in London that he may in the end be more cooperative than he seems. The South Africans, however, are inclined to favour Mr Smith's idea of an internal settlement, based on achieving a deal with African leaders in Rhodesia, totally excluding the more radical Patriotic Front. Reports of a split in the Patriotic Front, where Mr Nkomo and Mr Robert Mugabe have not yet succeeded in uniting their forces—the condition

## Trial period of smiles at ten rail stations

By Alan Hamilton  
Staff at 10 railway stations on the Southern Region yesterday began a four-week experiment that, it is hoped, will persuade more people to travel by train. The object of the exercise, devised by senior officials of the British Railways Board, is to discover whether acting in an amicable manner towards the customers will increase the revenue of one of the more anemic nationalized industries. Southern Region said yesterday: "We want to make people feel a little bit more like individuals, less like a travelling mass." The stations chosen to operate Operation Red Carpet are Wimbledon, Raynes Park, Motspur Park, Worcester Park, Stoneleigh, Ewell West, Malden East, Tolworth, Chessington North and Chessington South. Commuters did not find wall-to-wall Axminster on the platforms but they found posters naming their local station managers, and managers wearing small identifying lapel badges. Reports from some stations suggested that travellers had difficulty in detecting any change. Other aspects of the plan promised by Southern Region, which may take shape as the summer holidays begin, are the encouragement to passengers to tell station staff what they think of the train services, and the promise that station managers will spend some time each day meeting customers and "discussing the services". Southern Region say the aim is to create better communication. "By talking to passengers and getting to know them better, the staff hope to keep them well informed on many aspects of rail travel—in addition to day-to-day services—so that they may be encouraged to travel more often." But communications broke down. British Rail admitted that there had been no consultation with the National Union of Railwaymen, whose members are in the front line of commuting wrath and it was reported from several stations that staff were quite unaware that they were supposed to show mercy to the travelling public for a trial period. It is British Rail's intention that the campaign should involve an extra effort to keep stations clean and tidy, and that staff should "play their full part in keeping trains running on time for everyone's benefit, which means that there will be no control over such things as closing down platforms before trains are due to leave. All tickets, including season tickets, will be checked daily." A Southern Region official agreed yesterday that the things staff were expected to do were no more than they would do as a matter of course on any well run railway. "We do not have a lot of money to spend on campaigns of this kind," he added.

## Wholesale price index rose 1.1% July ahead of new controls

Line Atkinson  
Wholesale output prices, charged by manufacturers on goods leaving the factory, rose by 1.1 per cent in July, leaving the increase unchanged at 1.1 per cent. The rise in raw materials and fuel costs for non-food manufacturers was thus higher at just under 2 per cent. This was largely a result of the oil price increase agreed at the recent Opec conference in Stockholm. Yesterday's figures illustrate the dramatic slowdown in manufacturers' cost inflation in the past six months. Wage costs have been limited by the success of plant and raw material costs have risen by only 2.4 per cent (an annualized 4.8 per cent) in that time. The strength of the pound and widespread falls in world commodity prices have helped to cut industry's costs but the consumer has not yet felt the full benefit. Factory gate prices have risen by 8.5 per cent (17.8 per cent annual rate) over the six months to the end of July. There has, however, been a gradual slowdown in the six monthly rate of increase, which was nearly 22.5 per cent in June. The picture on food prices is mixed. Factory gate prices are still rising rapidly, although the raw material costs have begun to fall. Tea prices have already fallen, but the price of sugar is still rising. The Government hopes there will now be a pause in the whole price spiral. The Price Commission's last report suggested that there was a series of increases before the end of the old price code and, if that is correct, manufacturers may now try to hold prices steady.

## Leyland to double four-wheel-drive output

By Clifford Webb  
Midland Industrial Correspondent  
Leyland Cars yesterday disclosed plans for a £249m investment over the next six years to double output of the Land-Rover and Range Rover to 154,000 units a year. The announcement comes on the day 2,000 Leyland tool-makers voted overwhelmingly to quit the joint working party set up to thrash out a new pay structure. Continuing demand for the multi-purpose Rovers is so great that Leyland is now proposing more expansion than was advocated in the Ryder Report on British Leyland only two years ago. If the scheme is approved by the group's main board and the National Enterprise Board it will make the Land-Rover and Range Rover second only to the new Mini in investment and priority for completion. In a statement last night, Leyland Cars said the expansion would have to be achieved without loss of current output if it was to protect its 15 per cent share of the world's four-wheel-drive market. Present estimated at 500,000 units a year, it is growing at the rate of 5 per cent annually. The existing production plants at Leyland are stretched to the limit with long waiting lists. A 20-strong project team has

## Month's mass picket planned for Grunwick

Four weeks of continuous mass picketing are planned to take place outside the Grunwick film factory in north London after the report of the Scarman court of inquiry into the dispute has been published. Picketing will begin on August 19. Strike leaders hope the picketing will have full trade union backing. Page 2

## Dispute off and on

Reporters of the Financial Times which has not appeared on Thursday, is not expected to be resumed until later in the week. The dispute, which is not expected to be resolved by the end of the week, involves 46 who claim that there is an agreement for them to be placed with normal and rota nights. The dispute, which is not expected to be resolved by the end of the week, involves 46 who claim that there is an agreement for them to be placed with normal and rota nights. The dispute, which is not expected to be resolved by the end of the week, involves 46 who claim that there is an agreement for them to be placed with normal and rota nights.

## Saudis expect change of policy by PLO

Taif, Saudi Arabia, Aug. 8.—Saudi Arabia has informed the United States that the Palestine Liberation Organization (PLO) will soon announce a policy switch over the key United Nations resolution regarded as the basis for peace in the Middle East, American officials said here today. A State Department spokesman accompanying Mr Cyrus Vance, the Secretary of State, on his Middle East peace mission, quoted the Saudi Arabians as saying the PLO would declare a change in its attitude to Security Council resolution 242, which was approved in the aftermath of the 1967 Arab-Israeli war. Resolution 242 calls for "a just settlement of the refugee problem." The PLO wants the wording changed to include a reference to the national rights of the Palestinian people. Earlier this year, Mr Vance said the PLO had to alter its basic covenant, which calls for the dismantling of Israel, before the United States could deal with it. The State Department spokesman said today: "Insofar as the Secretary is concerned, the acceptance of 242 would accomplish the same purpose as changing the covenant." Reuters. Beirut, Aug. 8.—A PLO spokesman said today that the organization would participate in the Middle East negotiations on the basis of Security Council resolution 242 if the resolution was modified. "We have repeatedly indicated our readiness to do this, but the United States did not listen to us at first," the spokesman said. He explained that if the resolution was revised to recognize a Palestinian state, the PLO would drop its objections to it. These objections were aimed against the provision which referred to the Palestinians as mere refugees. New York Times News Service. David Cross writes from Washington: President Carter today raised fresh hopes that a Geneva peace conference on the Middle East can be arranged this autumn as originally planned. Speaking to reporters at his home town of Plains, Georgia, Mr Carter said he had received information that the Palestinians may be willing to recognize Israel. He said that indirect contacts with the Palestinians had revealed they might agree to support Resolution 242. The message apparently was conveyed to Mr Vance, via the various Arab leaders he has met during his tour of Middle East capitals. Moshe Brilliant writes from Tel Aviv: Mr Menachem Begin, the Israeli Prime Minister, served notice today on the eve of Mr Vance's arrival in Jerusalem that reported American efforts to induce the PLO to recognize Israel to qualify for a role in the peace talks were futile since the Israeli Government will exercise its right to veto the PLO's participation.

## Banks cut base rates to 8%

Bank borrowing continues to get cheaper. The leading banks yesterday cut their base rates by half a point to 8 per cent. The cut—the eighth since the start of the year when base rates stood at a record 14 per cent—had been widely forecast after last week's reduction in the Bank of England's minimum lending rate to 7 1/2 per cent. The cut increases the pressure on building societies to reduce mortgage interest rates. Page 13

## 'Glasshouse' penalty

A Conservative government would operate a "glasshouse" system of detention centres for some of the really delinquent and violent minority of the young population, Mr Whitelaw, deputy Conservative Party leader and home affairs spokesman, told Birmingham, Ladywood, electors. Page 2

## Makarios funeral

Justice for Cyprus, with the Turkish occupying forces driven from the island, was the theme of the funeral oration when Archbishop Makarios was laid to rest in a mountain tomb near where his ecclesiastical and political life began. Page 4

## Ogaden conflict grows

Ethiopia said the Ogaden desert conflict had grown into a full-scale war with Somalia and gave a warning that it would "punish the aggressors". On the battlefield in south-east Ethiopia, both sides claimed modest military successes. Page 5

## Month's mass picket planned for Grunwick

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## 'Australian disease'

Sir Donald Tebbitt, Britain's High Commissioner to Australia, has declared that if Australia had a strike problem it should not be blamed on Britain but treated as an "Australian disease". He was replying to attacks by an Australian Cabinet Minister on British immigrants. Page 5

## Licence centre irked

Staff at the Swansea licensing centre are annoyed by their "bad image". They say one licence application in every 20 is wrongly filled in or not accompanied by the fee. Page 3

## Carter aide under fire

Mr Bert Lance, one of President Carter's closest advisers, is again under fire over financial transactions in which he was involved as president of the National Bank of Georgia. Page 4


## An opportunity for graduate oranges.

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## HOME NEWS

## Tories plan detention 'glasshouses' for some young delinquents

By Our Political Staff

When the Conservative Party comes to power, it will strengthen the law dealing with young offenders so that "the dangerous minority of thugs" can be locked up and treated, Mr William Whitelaw, the party's deputy leader, and spokesman on home affairs said in Birmingham last night.

Citizens needed to be protected from the viciousness of these thugs, he said. "We have urged that magistrates should be given back the powers to lock up the really delinquent and violent minority."

A Conservative government would operate a glasshouse system of detention centres for some of these young people "so that they receive a short sharp shock treatment which I hope will deter at least some of them from getting embroiled deeper in the mire of crime."

The Government had done nothing but preferred to spend millions on nationalization rather than spend on strengthening the forces of law and order. "A Conservative government will make sure that hard work pays and that crime does not."

Speaking in support of the Conservative candidate at the Birmingham, Ladywood, by-election, Mr Whitelaw said it was an open secret that Britain's one booming industry under Labour was crime. In the West Midlands some crimes had increased by more than a third in 1976.

"For every 100 crimes committed in the first three months of 1976 there were 110 com-

mitted in January to March 1977, in England and Wales and 115 in Scotland," Mr Whitelaw said. "In the first 12 weeks of 1977 in England and Wales alone over 600,000 crimes were recorded by the police."

A large and growing number of these crimes are being committed by children and young people and a hard core of these youngsters are committing crimes that sicken even policemen and judges who thought they had seen the worst. There should be no tears shed for those who beat and rob old women, who rape, in groups, young women."

Mr Whitelaw said Ladywood electors had to decide whether the Labour Government deserved their support when, since 1974, prices had risen 80 per cent; average income tax for a married man with two children was up from £399 in 1970 to £500 last year and more than 1,600,000 people were on the dole.

Ten candidates: A tenth candidate yesterday joined the by-election battle at Birmingham, Ladywood, 15 minutes before the polls closed (The Press Association reports).

The final line-up for the election on August 18 is: John Sever (Lab.), J. Quentin Davies (C), Kenneth Harnden (Lib), Anthony Head-Herbert (Nat Front), George Matthews (Ind C), James Hume (Ind), Kim Gordon (Sec Workers' Party), Peter Courtney (Reform Party), Rachid Akram (Lab Unity) and the late entrant, William George Banks (Air, Road, Public Safety, White Resident).

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## Guidance on secure units for difficult adolescents

By Pat Healy

Social Services Correspondent

Secure units for difficult and disruptive adolescents are being set up in a number of local authorities, but guidance on how to use them has been issued by the Department of Health and Social Security.

The guidance emphasizes that the most effective form of security is adequate personal supervision in the right place at the right time, and offers detailed advice on designing units. The building itself should be escape-proof, the guidance says, while internally it should be designed to prevent children from breaking up fixtures to use as weapons.

Bedrooms in secure units should have small observation panels and damage-resistant furniture. An outdoor area is recommended where children can play games, sit and pursue hobbies in the open air. That area should have a boundary wall at least 13ft high but designed "to avoid as far as possible a prison-like appearance."

The guidance is a supplement to a previous circular on the design of community homes. A "substantive" document will be issued after a research study of recently finished secure units now in use has been completed. Its advice is intended to be used over a trial period, and is based on a research and development study commissioned from consultants, architects, planners and engineers.

The guidance covers secure units for between two and eight children "who present a variety of problems including severe misbehaviour and/or persistent

absconding". Such units are eventually expected to accommodate the minority of children who are too disruptive for ordinary community homes or who are now remanded to adult prisons or sentenced to borstal training.

The length of a child's stay in such a unit might be as short as a few hours or last for several months, the circular says. But it is assumed that they will not remain under conditions of total security all the time but share facilities in the community home to which the unit is attached as they progress. Eventually they will be moved to the main community home, where there will not be such high standards of security.

The general guidelines on security and safety say the external structure of the building must be able to withstand attempts by the children to breach it, but fire precautions are emphasized. Within the unit "freedom of movement should be evident, the physical aspect of security not too obvious so as to offer a challenge to children to abscond. A feeling of spaciousness is desirable to offset the constraints imposed by the need for security."

Mr Terence Bamford, assistant general secretary of the British Association of Social Workers, yesterday regretted that comparable official guidance had not been offered to the staff who worked in secure units. More attention needed to be paid to the special skills and training for staff dealing with difficult and disruptive children.

Leading article, page 11

## Lib-Lab pact efficacy is challenged by Tories

By Our Political Correspondent

Liberal Party claims for the effectiveness of the pact with Labour came under attack yesterday from Mr David Howell, MP for Guildford and Conservative spokesman on Treasury and economic affairs.

He was responding to a double-column advertisement in *The Sun* stating: "Your petrol reduced today, thanks to the Lib-Lab pact."

In fact, Mr Howell said, the petrol price reduction, brought about by an amendment to the Finance Bill, was achieved by 279 Conservatives with 13 Liberals.

The only positive measures secured in Parliament had been the result of Conservative efforts, supported very modestly by an unreliable and vacillating Liberal Party.

In fact, numerous other measures could have been passed by Parliament if only the Liberals had supported the Conservatives. Mr Howell said in a statement issued by Conservative Central Office.

"The Lib-Lab pact, far from helping the ordinary individual and taxpayer in this country, far from assisting the housewife and the small businessman, has persistently frustrated Parliament's efforts on their behalf."

Mr Howell invited the public to take a closer look at other "so-called achievements" said to have been brought about by the Lib-Lab pact under the aegis of the pact.

The Liberals once wanted the VAT exemption threshold lifted to about £10,000. When it came to the crunch they voted with the Government for a much lower figure, although a Conservative amendment to the Finance Bill lifting the threshold to £10,000 had already been passed," Mr Howell said.

Once the Liberals wanted the tax allowance for retired people to be tapered out at £3,750. When it came to the crunch, however, Mr Padoa-Schioppa (Liberal spokesman on Treasury affairs), forgot that he had voted for the higher figure in committee and supported the government figure of £3,500 instead," Mr Howell said.

The Liberals had wanted to remove restrictions on granting tax certificates to building contractors. But when it came to the point of decision, only Mr Grimond bothered to vote with the Conservatives. "Had the other Liberals voted, the restrictions would have been scrapped."

Liberals had said they wanted to halve the tax on the 12,500 miles the travelling distance above which a lower rate of tax on business cars was applied. But when it came to voting they changed their minds.

So much for the so-called

Liberal achievements," Mr

Howell said. "It is the Con-

servatives who have made possible the cut in the petrol tax. It is the Liberals who have stood in the way of any other relief for the hard-pressed people of this country."

## Policeman stole £1

Police Constable Alan David

Prosser, aged 20, of Queens

Road, Rushall, West Midlands,

was given a four-month prison

sentence at Birmingham

Magistrates' Court yesterday,

suspended for two years for

stealing £1 from a man he was

searching.

The boy's ambition is to be

a chess grandmaster while

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dition, he will be happy with

51 points of the possible 11.

He will not have to play the

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"It is disappointing that they

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The result of the tournament

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Webb, aged 28, from Reading, although Jonathan Penrose, a

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## WEST EUROPE

## Union of Left dispute on defence turns into a slanging match

From Ian Murray

The argument within the Union of the Left about nuclear defence is developing into a slanging match in public between the Socialist and Communist leaders, M. François Mitterrand and M. Georges Marchais.

This morning, the Socialist leader said in an interview in *Le Matin* that the Communist nuclear defence policy was a "dramatic absurdity" after he had been accused by M. Marchais of weakening the left by his uncertain stand on the issue. Tomorrow, it will be M. Marchais's turn again with an article in the Communist *L'Humanité* in which he returns to the attack on the referendum proposed by M. Mitterrand.

There is a contradiction, he says, between the fact of defining a defence policy for France in the common programme and the desire to submit that policy to a huge democratic consultation. It is next March, M. Marchais says, at the legislative elections, that this huge consultation will occur.

Meanwhile, the majority parties, which seemed last March to be in real danger of defeat in next year's legislative elections, are capitalizing on the row. On television today, M. Michel d'Ornano, the Minister of Culture and the Environment, said that on defence, as on many other matters, M. Mitterrand's policy was one of "fluffy generalities". He had read the

interview in *Le Matin* and still was unable to discover what his ideas on defence really were.

He said the idea of a referendum on the subject was a "gimmick" because it would mean that the people would be asked to decide policy with no guidance as to M. Mitterrand's thinking, which was an "unworthy" thing for a leader.

He dismissed the Communist defence ideas as being an about-turn of policy made with the elections in mind. The majority would say clearly what it was going to do when it was "once more in power after the elections".

The funeral of M. Vital Michalon, who was killed by an explosion during the anti-nuclear demonstration at Creys-Malville, took place in his home town of Die in the Drome today. Half an hour's silent vigil for him was called for in Grenoble, Morestel and Montaliou.

Last night 2,000 French, Swiss and German ecologists had a torchlight meeting on a frontier bridge at Vieux-Brisach. The French were given a wreath for M. Michalon's funeral and the meeting affirmed the internationality of the ideas they believed in.

In Bourgoin-Jallieu, where six demonstrators were given prison sentences yesterday for their part in the Creys-Malville affair, six others are to go on hunger strike for up to 12 days. There is also a plan for a permanent protest outside the prison where the six are being held.

## Women safe as runaway train demolishes house

Griesheim, West Germany, Aug. 8.

Twenty-one railway trucks filled with gravel broke loose from a train late last night and rolled at increasing speed through a built-up area for eight miles before crashing into a two-storey house at about 75 mph.

The house was demolished but the two women living there, aged 72 and 76 years, survived unharmed.

The trucks broke free at points near gravel pits at Mes-

sel, picking up speed on a slope leading into Darmstadt where an alert rail worker switched them to an unused line.

At the end of the track the trucks crashed through the buffers and plunged across the line for about 100 yards before smashing into the house.

During their headlong, driverless run, the trucks did no other damage, despite passing over seven level crossings, some of them unguarded.—UPL

## More holidays abroad

Geneva, Aug. 8.—A record

230 million people are expected to take holidays abroad this year, the International Labour Organization (ILO) said today.

The ILO said worldwide data monitored by its headquarters here indicated that 10 per cent more people than last year would go to a foreign country for a holiday. Another 900 million more would be taking

holidays in their own countries. It is also said that extra recreation space, equal to half the area of Switzerland, would be needed in Western Europe by 1980.

The estimate was based on a recent French university study showing that about 800 square yards of space were needed in tourist areas for every holiday-maker.—Reuter.

## US to study women soldiers in war test

Bonn, Aug. 8.—A male

research team is to take part in September manoeuvres to study how women soldiers perform support jobs under the strain of simulated combat.

A spokesman for the United States Army in Europe said today.

The study is to see whether women soldiers are being used as efficiently as they might be, but not to determine whether they could be given full combat roles, the spokesman said.

More than 10,000 women are serving as soldiers in the American Army in Europe, but assigning them to full combat

roles is forbidden by law. They can be and are assigned to such combat support and service jobs as medical aid, supply and transport, maintenance, signals and the military police.

Women soldiers took part in last year's American Army summer manoeuvres in West Germany, but no one except their immediate commanders assessed their performance. A 25-man research team will assess them in next month's exercises, which are to last about 10 days.

The Brookings Institution of Washington said in a recent

## Asylum for Czech hijackers refused

Zirndorf, West Germany, Aug. 8.

All but one of 10 Czechoslovakians jailed here after hijacking a Czechoslovak airliner to West Germany in 1972 and killing the pilot have been refused political asylum, the authorities disclosed today.

The federal office for the recognition of foreign refugees refused to say who had been granted asylum, though a spokesman said the person involved was an adult. Three women and two children were among the 10 applicants.

Eleven people were in the group which forced a Slovak airliner to divert from its scheduled internal flight to Weiden, Bavaria, on July 8, 1972. The pilot was shot dead in the cockpit and the leader of the hijackers committed suicide before standing trial for the killing.

The others were given prison terms of three to seven years by a West German court in December, 1973, but all have since been released and are living in the federal republic.

An official spokesman said today that the decision on whether the hijackers must leave West Germany or stay without political refugee status lay with the responsible authorities.—AP.

## Hang glider pilot dies on Matterhorn

Geneva, Aug. 8.—An Austrian

who tried to fly down the 14,800ft Matterhorn by hang glider was among 27 people killed in Switzerland in accidents over the weekend. The police blamed the death toll—

a record—on poor driving on roads packed with holiday traffic and treacherous weather in the mountains.

His eight-hour funeral, replete with Byzantine pomp and ceremony, marked one of the saddest days in recent Swiss history. Hundreds of thousands of Greek Cypriots lined the streets of Nicosia and the 60-mile route from there to the tomb to watch the funeral cortege of the late President go by.

Women knelt and sobbed "Why have you abandoned us? What shall we do without you?" all along the route. Their menfolk held up placards proclaiming "Makarios lives, he will always be with us".

This was also the theme of a funeral oration by Mr Spyros

## OVERSEAS



Expressions of anguish as the funeral cortege for President Makarios passes through a street in Nicosia.

## Justice for Cyprus pledge at Makarios burial

From Alex Efthymiou

Throni Mountain, Cyprus, August 8.

Archbishop Makarios was laid to rest in a modern tomb on this remote mountain top here today.

The ancient monastery of Kykkos where he embarked on his ecclesiastical and political career as a 13-year-old novice monk 50 years ago.

His eight-hour funeral, replete with Byzantine pomp and ceremony, marked one of the saddest days in recent Cyprus history. Hundreds of thousands of Greek Cypriots lined the streets of Nicosia and the 60-mile route from there to the tomb to watch the funeral cortege of the late President go by.

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Kyprianou, the acting President, during the formal funeral service at the Church of the Virgin in Nicosia. The service was attended by nearly 200 foreign dignitaries from more than 50 countries.

"We will fight until we bring justice to Cyprus, until his dreams come true", Mr Kyprianou declared after referring to the Archbishop's efforts to force Turkey to abandon its hold on the northern part of Cyprus and to allow the 200,000 Greek Cypriot refugees to return to their homes.

The first 25 miles of the funeral route ran parallel to and in some places less than a mile from the heavily fortified Malla Line that divides the island.

The Archbishop personally chose the Throni mountain peak for his tomb, blasted out of the rock and overlooking his native village of Panayia.

Mr Kyprianou, accompanied by Cabinet ministers, Greek Cypriot party leaders and the

bishops of the Cyprus Church escorted the cortege all the way from Nicosia. They packed into the vaulted tomb together with dozens of people from the surrounding villages and watched tearfully as the flag-draped coffin was lowered into the grave.

The coffin was draped in the flags of Greece and Cyprus, to signify the Archbishop's dual role as both national leader of the Greek Cypriots and President of the Cyprus Republic.

Once the coffin was in the grave hundreds of people filed past to throw handfuls of earth until the hole was filled. Many brought floral wreaths to lay on the grave and the two-mile twisting mountain track from the monastery to the mountain peak was strewn with myrtle and laurel leaves, the classical Greek welcome for conquering heroes.

The octogenarian Abbot of Kykkos the Archbishop's mentor when a boy, intoned the final benediction saying, "This is your last step to immortality, our beloved Archbishop."

Political sources said agreement has been reached to allow Mr Kyprianou to contest unopposed the by-election for a new president which must be held within 45 days of the death.

A contested election is to be held next February, when President Makarios's five-year term was due to expire.

ATHENS. To coincide with the Nicosia funeral a memorial service was held in Athens Cathedral attended by Mr Constantine Karamanlis, the Prime Minister.

Cabinet ministers, armed forces leaders and other high ranking officials. Government offices, courts, and shops were closed and bus and rail services stopped.

LONDON. An estimated 6,000 people attended a service at the Church of All Saints, Camden Town, most standing outside in the rain. Father Mikhoros Kykotos, appointed Dean of All Saints by Archbishop Makarios, conducted the service. Shops, restaurants and factories run by the Cypriot community in north London were closed, many for the day.

## CIA says Soviet economy is declining

From Our US Economics

Washington, Aug. 8.

The Soviet Union's economic health is deteriorating and is about to face a major energy, industrial, consumer and foreign trade problem with the result that its political leadership, which has been quite stable since the fall of Khrushchev 13 years ago, almost certain to weaken in the coming period according to a new report from the United States Central Intelligence Agency.

The agency notes, in report to the joint economic committee of Congress, the Soviet political leadership under President Brezhnev, ill-equipped today to meet the country's economic challenges and they are unlikely to be a better position in coming years.

Brezhnev's "vigorous" stance, the report says, "His senior colleagues are age or older. The control group has been timid in approach to economic reform and its timidity has grown over time."

It adds that the Soviet Union needs a comprehensive reform of its economic system. "Politburo correctly perceives that reform threatens political control." Moreover, the economic problems have grown, the report says, "The CIA can hardly be as an impartial source of information on Soviet developments but its new report may be the most candid assessment on shaping by Congress and Carter Administration of fence, foreign and trade policies."

It concludes that decline in productivity and continuing inefficiency in agriculture lead to a slowing of the Soviet economy's growth. "The economic difficulties are aggravated by a sharp decline in the growth of the country's labour force and erosion of its energy development."

Energy management is as the Soviet Union's greatest economic problem. "If petroleum output falls, the Soviet oil output will fall the point where Soviet consumption exceeds production 1985. The implications of for hard-currency earnings the ability to supply oil to Europe are 'disastrous', report says."

The CIA states that "at the Soviet Union's national product will grow at about 4 per cent a year to 1980 and slow what in the following five years. But such levels will be only if dramatic action is taken over energy."

The agency says that, if agricultural situation worsens because of an unfavourable change in climate and if currency shortages develop which is seen as likely, "politicians in Moscow may be forced to impose a 'degree belt-tightening' unknown to the Khrushchev years."

The main reason for a such as the present "questioning and expressions of popular discontent remain unusually high levels."

By 1980 at the latest, Soviet foreign trade outlook likely to cause apprehension in Western capital markets at the Soviet's ability to manage external debts. "The country's repayments on debt will exceed new draw and, without increased borrowing, the economy face even graver problems."

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## Police shots wound three students in Soweto

Johannesburg, Aug. 8.—Police

firing shotguns wounded three students today in a crowd of youths trying to prevent pupils from entering classes in defiance of a boycott in the black township of Soweto.

Brigadier Jan Visser, the Soweto police chief, said his men fired three rounds of light shotgun pellets outside a vocational training centre in Dube District, where the youths were "intimidating" those trying to enter the school.

He said 12 students, including the three wounded, were arrested.

Brigadier Visser said attendance at secondary schools in the township was poor today as the school boycott entered its second week. Primary schools, attended by children up to 14 years of age, appeared to be working normally.

The boycott was started as a protest against the South African's racially segregated educational system.

Over the weekend, 13 were arrested in Soweto, including some members of the militant Soweto Students Representative Council (SSRC).

The black daily newspaper, *The World*, said seven SSRC members were arrested in raids. Members of the family of one student allegedly arrested said, his son, Jerome Dlamini, aged 18, was treated in general hospital at the weekend for "pains all over his body" after his arrest by police.

The family said Jerome was seen under police guard shackled by his hands and feet and bleeding from the nose at the Johannesburg hospital. The hospital and the police declined to comment on the matter.

"We deal with 500 people a day and it's impossible to tell if Dlamini was one of them", a hospital spokesman said today.

Mr G. Roussouw, the Secretary for Bantu (black) Education, said today that his department would only close a school if there were no pupils to teach.

Attendances at the Pretoria townships of Atteridgeville, Saitsville, and Mamelodi appeared to be almost back to normal today after many students returned to classes last Friday.

Armed police stood guard outside Soweto's school today when 31 students appeared on charges of public violence arising from last week's outbreaks of stone-throwing and arson, which led to hundreds of youths being detained.

The case was postponed until August 24 and the 31 students were either freed on bail or released into their parents' custody.

Elsewhere over the weekend, rampaging students burned a branch of Barclays Bank and damaged two other buildings at the black township of Ga-Rankua, 20 miles north-west of Pretoria.

Brigadier Henry Abbott said today that extra police had moved into the town.

Reuter and UPL

## Mr Lance's deals again under fire

From Our Own Correspondent

Washington, Aug. 8.

New revelations about the tangled financial transactions of Mr Bert Lance, Secretary of the Office of Management and Budget and one of President Carter's closest advisers, have raised fresh doubts about his business ethics.

Although Mr Carter apparently continues to have full confidence in his colleague from Georgia, any further disclosures could damage his reputation to the point where he has to resign, it would be impossible for the President, who has made complete personal integrity one of the keystones of his Administration, to continue to employ someone whose past conduct has fallen short of this grand ideal.

The latest source of embarrassment for Mr Lance is a \$2.6m (£1.5) loan he secured in 1975 from a New York bank, Manufacturers Hanover Trust, in the month that the Georgia bank set up a \$250,000 interest-free account there. Mr

Lance was president of the National Bank of Georgia before he came to Washington.

A hastily assembled press conference on Friday, Mr Lance maintained that the loan had no direct connexion with the opening of the account, but he conceded that an internal memorandum had been discovered by Manufacturers Hanover "describing my loan with them and making reference to the hoped for correspondent relationship."

A correspondent relationship is when one bank opens an account with another to expand the range of services available in other cities to the first bank's customers.

Under questioning from journalists, Mr Lance stoutly denied that the establishment of the correspondent relationship with Manufacturers Hanover was in any way a sweetener for his personal loan, which he needed to buy a controlling interest in the National Bank of Georgia. He maintained that he had

approached the New York bank because he had had close dealings with it for more than 20 years.

The memorandum was discovered during an investigation launched by federal banking officials into his financial affairs. The inquiry was opened by the Office of the Comptroller of the Currency after allegations that Mr Lance's Georgia bank had opened a similar correspondent relationship with the First National Bank of Chicago just before he received a \$3.4m personal loan last January. He needed the new loan to help pay off the Manufacturers Hanover loan.

At his press conference, which was clearly summoned before a pre-emptive strike before news of the discovery of the memorandum leaked to the press, Mr Lance was asked whether his allegedly questionable financial transactions would force him to resign his budget post. "Absolutely not," he replied.

Both men gave as their reasons for resigning the opposition within the council towards efforts to force a uniting front with other nationalistic factions.

Mr Malunga, who is 47, had the distinction of being virtually the last of the veteran nationalists who served nearly a decade in detention to stick with the bishop. He complained that the party hierarchy had changed considerably and many senior posts were now filled by "self-seekers", more interested in their own future than in national unity.

Dr Chikeli has made similar complaints but both men have avoided blaming Bishop Muzorewa personally for the anti-unity sentiments.

## New series of talks on Namibia

From Our Own Correspondent

New York, Aug. 8.

A further stage in the international effort to find a solution to the question of Namibia began here today. Representatives of the five Western members of the United Nations Security Council (Britain, United States, France, Canada and West Germany) started series of meetings with a delegation from the South African People's Organisation (Svapo), led by Mr. Nujoma.

Since the effort was initiated in May, the Western five have held two series of meetings with South African officials in an attempt to persuade them to allow representative elections in Namibia. According to British spokesmen, some progress was made, but "they" not met us on all points.

The purpose of the new series of talks, which is expected to continue well into the week, is to put the West plan to Svapo. No early conclusion of the issue is expected.

holds

Indo-C

## What will your legacy be doing 40 years after?

If it was made to Help the Aged, the probability is that it will still be giving increasing service to old people in need.

There are two solid reasons:

1. Help the Aged trustees endeavour to use funds for work that brings enduring benefit. This is why the charity has pioneered flats for old people, Day Centres for the lonely, Light Work Centres for the active, Day Hospital Treatment Centres, and much more.

2. The proportion of elderly people in the population is steadily growing as they live longer, yet that fact brings them ever worsening problems: loneliness, lack of warmth (and of food, overseas) poor health and inability to cope. The need will continue to be ever greater: and thereby increase the value of your gift.

If you are considering a legacy, write or phone for the interesting and helpful booklets on the making of wills and reducing the impact of Capital Transfer Tax. Free on request, together with the Annual Report and Accounts from The Hon. Treasurer, The Rt. Hon. Lord Maybray-King, Help the Aged, Room T3L, 32 Dover Street, London W1A 2AP. Telephone (01) 499 0972.

## Polanski admits sex offence

Santa Monica, California, Aug. 8.—Roman Polanski, the film

director, after being warned of a possible plea bargain, could be declared a mentally disordered sex offender today to having unlawful sexual intercourse with a 13-year-old girl.

Mr Polanski, who is 43, said that he knew the girl's age when the offence took place.

Unlawful sexual intercourse can be punished by one to 50 years imprisonment.

He originally faced six charges including rape, sodomy and kidnapping the girl. Under a deal with the prosecution, however, he pleaded guilty to only one charge.

Judge Lawrence Rittenband said that he wanted to see the results of mental tests he had ordered for Mr Polanski before pronouncing sentence on September 19.

He warned Mr Polanski, who is a French citizen and has not lived in the United States on a permanent basis since 1969 when his wife Sharon Tate, the actress, was murdered by the Manson gang, that he faced deportation for moral turpitude.

Reuter.

## Saboteurs attack railway line near Salisbury

From Michael Knipe

Salisbury, Aug. 8.

Saboteurs blew up a section of railway line near Kambazuma, a black township six miles outside Salisbury, early today. The incident occurred at a railway bridge which was only slightly damaged.

The explosion put the line out of service for about 12 hours, however. The police said there were no casualties or damage to rolling stock.

It was the third act of sabotage on railway lines near the capital in a year. A group of African nationalists were hanged earlier this year after being convicted of the earlier attacks and also of making hand grenade attacks on a Salisbury restaurant and a nightclub.

Since Saturday's bomb explosion in a department store which killed 11 people and wounded 76, discreet security precautions are being taken in many stores, offices and restaurants in Salisbury. At one department store today customers carrying parcels or suitcases were being refused entry. There are few signs of nervousness, however.

A senior member of the

United African National Council announced his resignation today. He is the second senior official to leave Bishop Muzorewa's nationalist group within a week.

The first was Mr Moton Malunga, the national chairman, who was followed today by Dr Chikanyika Chikeli, the bishop's secretary for external affairs, who was to have accompanied him to London, where the bishop is expected to return for talks with Dr. Owen, the Foreign Secretary.

Both men gave as their reasons for resigning the opposition within the council towards efforts to force a uniting front with other nationalistic factions.

Mr Malunga, who is 47, had the distinction of being virtually the last of the veteran nationalists who served nearly a decade in detention to stick with the bishop. He complained that the party hierarchy had changed considerably and many senior posts were now filled by "self-seekers", more interested in their own future than in national unity.

Dr Chikeli has made similar complaints but both men have avoided blaming Bishop Muzorewa personally for the anti-unity sentiments.

A senior member of the

## Miners union pressure stops loan to Bolivia

By David Watts

The British Government has decided not to go ahead with a loan of £19m to Comibol, the Bolivian state mining company.

The decision, made known by Mrs Judith Hart, the Minister for Overseas Development, in a letter to the National Union of Mineworkers (NUM), follows a clandestine visit to Bolivia by a group of British miners. The three-man NUM delegation criticised the conditions of work of Bolivian tin miners.

The money would have been used to buy British equipment to modernize Bolivia's mines and to develop new ones. A spokesman for the Ministry of Overseas Development said that the £19m would now go back into the Latin American "pot" for reallocation.

In a statement welcoming the Government's decision, Mr Lawrence Daly, the general secretary of the NUM, said that the union saw it as a victory for the Bolivian miners.

ahead, he said, the British Government would have been seen in the eyes of the world as giving credibility to the Bolivian military Government.

Trade unionists have long banned in Bolivia since 1974 and leaders of the tin miners union have been exiled or jailed. The Bolivian Army has been occupying the tin mines since June last year.

Mr Daly said that the union saw it as a victory for the Bolivian miners.

felt that it was unreasonable. The British Government was not aware of the full situation regarding the mining industry in Bolivia.

The NUM is expected to improve the status of life of the workers.

"They have considered the political aspects. It is a decision that has been taken by the trade unionists," he said. The union is in question, as he said, on the basis of the NUM's position, but probably in the long run.

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Indo-C



Burial

Under fire

Railway

Ops loan to

## OVERSEAS

### Autto porters mpage airport

Richard Wigg  
c. Aug 8

re were only demonstra-  
onight at the airport here  
porters gathered for the  
of Mr Bhutto, deposed  
military a month ago as  
Prime Minister, were  
ing more than an hour of  
ances, some ordinary pas-  
sengers were intimidated  
and, and European and  
and journalists were  
d and attacked by hooli-  
ans from Mr Bhutto's  
Party. Then the Army  
d and had Mr Bhutto  
away under escort,  
to greet his supporters  
ally.

His release about 10  
go Mr Bhutto has been  
to a public tour of the  
and Punjab provinces  
General Zia ul-Haq,  
his chief martial law  
rator, does not intend  
campaigning to start  
mid-September for the  
election on October 18.  
a crowd estimated at be-  
5,000 and 10,000 up-  
of the People's Party  
mitted by the police to  
on the airport and by  
noon they had almost  
it over. "We can't do  
g against crowds this  
an official of Pakistan  
Airlines told me. In  
the pandemonium  
ids of young rowdies  
repeatedly into the  
departing hall counting  
now Mr Bhutto will  
al European and Paki-  
journalist cars were  
d and stoned as they  
enter the airport, and  
passengers were in  
the throwing of tear  
stones.

Sir Donald's action followed  
statements by Mr Ian Sinclair,  
Minister for Primary Industry,  
who accused immigrants of im-  
porting "the British disease"  
into Australian industrial rela-  
tions.

Mr Sinclair, deputy leader of  
the National Country Party,  
which forms part of Mr Mal-  
colm Fraser's coalition Govern-  
ment, began the dispute last  
Friday when he suggested that  
action be taken against British-  
born trade union trouble-  
makers. He reiterated his ac-  
cusations in a radio programme  
broadcast today by the Aus-  
tralian Broadcasting Commission,  
which charged that British im-  
migrants were responsible for  
racism and industrial unrest  
in Australia.

Some immigrants had signifi-  
cantly prejudiced Australia's  
economic recovery by taking a  
leading part in strikes, he  
declared.

"I believe there are a good  
many employers who have deli-  
berately refused to employ Brit-  
ish migrants simply because  
of the reputation of the few.  
There are a number of British



Delhi floods: Streets on the outskirts of Delhi were turned into rivers yesterday after unusually heavy monsoon rains. About 80,000 people have been evacuated and troops were brought in to help. The biggest

danger was to the Dhanu Bund dike, built to contain flood waters from the Yamuna river. Mr Kidar Nath Sahani, the city's Chief Executive Councillor, said the dike was holding but he urged vigilance.

## High Commissioner diagnoses touch of 'Australian disease'

Canberra, Aug. 8.—Sir Donald Tebbitt, Britain's High Commissioner to Australia, tonight repudiated a senior Cabinet minister's repeated attacks on allegedly work-shy and trouble-making British immigrants. If Australia had a strike problem then it should be treated as "an Australian disease" and not blamed on Britain, he said.

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racism and industrial unrest  
in Australia.

## Canadian Bill to end air traffic strike

From Our Correspondent  
Ottawa, Aug 8

Military aircraft flew MPs  
back to Ottawa today from their  
summer holidays to parliamen-  
tary forcing 2,200 striking air traffic  
controllers to return to work.

The controllers walked off  
early yesterday, stopping air  
transport across Canada and  
leaving thousands of passengers  
stranded.

The Government planned to  
introduce a Bill in the Comm-  
mons tomorrow to end the peak-  
season strike.

The country's two main air-  
lines maintained what flights  
they could, using airports across  
the United States border.

Most charter flights to and  
from Montreal were thus using  
the airport at Burlington, Ver-  
mont. Most non-charter flights  
have been cancelled.

Heathrow delay: Many trans-  
Atlantic passengers due to catch  
connecting flights to Europe  
were forced to spend the night  
at Heathrow airport because of  
the delay on incoming services  
caused by the Canadian dispute.

## 'Full-scale war' in Ogaden desert

Adaba, Aug. 8.—  
said today that the  
desert conflict had  
to a full-scale war  
and gave a warning that  
"punish the aggres-  
sion."

A special conference of  
organization of African  
(OAU) reconvened in  
try to find a peaceful  
to mediate between Ethiopia  
and Somalia, again  
Mogadishu of a full-  
scale war. It urged the  
"make every possible  
secure the immediate  
ral" of what it called  
Somali troops occupying  
the Ogaden.

A South Yemen minister is  
reported to have arrived in  
Addis Ababa on what could  
turn out to be a new attempt  
to mediate between Ethiopia  
and Somalia, diplomatic sources  
said today. They said the possi-  
bility of a South Yemen medi-  
ation attempt could not be  
excluded.

The Ethiopian news agency,  
reporting the arrival of Mr  
Saleh Mosleh, the South  
Yemen Interior Minister, yes-  
terday, gave no indication of  
the purpose of the visit.—UPI  
and Reuters.

## Fukuda holds out olive branch to Indo-China

Mr Hazellhurst  
unpur, Aug 8

out a new doctrine  
perity and peace in  
Fukuda, the Japanese  
Minister, announced  
that Japan would assume  
responsibility for the  
and economic develop-  
ment of the region in future.

Mr Fukuda, who met the  
of Malaysia, Indonesia,  
Singapore, the  
es, Australia and New  
in Kuala Lumpur last  
discuss regional de-  
velopment, emphasized that  
ould use its economic  
rather than military  
increase its influence  
East Asia.

## Heart operation girl may leave hospital soon

Cape Town, Aug. 8.—Katrina  
Pieri, aged five, the British girl  
who had an operation for a hole  
in the heart six days ago, is  
recovering well and may leave  
hospital this week, hospital  
sources said today.

Dr Christian Barnard, who  
operated on her in an operation  
designed to improve her con-  
dition but not cure it com-  
pletely, said that if all went  
well a final operation might be  
possible in five years' time.

A spokesman at the Red Cross  
Children's Memorial Hospital  
said today that Katrina had  
been moved from the intensive  
care unit to a general ward.  
—Reuters.

## In brief

### Sudan political prisoners freed

Khartoum, Aug. 8.—President  
Nimeiry has issued a general  
amnesty for all political prisoners  
in Sudan. The decree also  
allows the release of prisoners  
of crimes against the state,  
provided they agree to return  
home.

It covers anyone involved in  
anti-government activities since  
President Nimeiry came to  
power in a military coup in  
May 1969.

### Gary Powers buried

Washington, Aug. 8.—Gary  
Powers, the former American  
U2 pilot shot down over the  
Soviet Union in 1960, was  
buried with full military  
honours in Arlington, Va.,  
last week in a helicopter crash  
near Los Angeles.

### Blaze threatens homes

San Francisco, Aug. 8.—The  
California fire service fought its  
worst outbreak of forest fires  
for 50 years, with thousands  
of its 3,500 men in an  
effort to divert the blaze from  
the Salinas-Carmel valley,  
where thousands of people live.

### Soviet fire alert

Moscow, Aug. 8.—A national  
fire alert was issued by Soviet  
officials after more than a  
week of dry, hot weather that  
has already started forest and  
brush fires in the Urals and  
Western Siberia.

### Nuclear protest arrests

San Luis Obispo, California,  
Aug. 8.—The police have  
arrested 48 anti-nuclear demon-  
strators who tried to occupy  
the Diablo Canyon nuclear  
power plant under construction  
on the coast near here.

### Airport battle flares

Tokyo, Aug. 8.—Left-wing  
demonstrators hurled petrol  
bombs and fought police during  
renewed protests against the  
opening of Tokyo's new inter-  
national airport.

## The education issues that have yet to be raised

In January 1968, Mr Anthony Crosland, then Secretary of State for Education and Science, speaking to the North of England Education Conference, attacked those calling for research into the actual effects of existing comprehensive schools before proceeding to the full comprehensive programme. To call for such research, he argued, was to betray "a misunderstanding of the nature both of educational research and of our political system". Nearly 10 years later, a Labour Government has produced a Green Paper whose central theme is the uncertainty of our educational aims and the inadequate monitoring of objectives in schools.

Eating one's words is, as Winston Churchill once said, a salutary diet for politicians. It must have been difficult for a Labour Cabinet to accept the Green Paper, and one must admire Mr Callaghan and Mrs Williams for having the courage to renounce, even if only tacitly, long cherished slogans.

Of course, the Green Paper contains the ritual assurance that educational standards are not falling. But if there were not widespread anxiety among parents and employers about standards, it is difficult to believe that it would have been issued or that Mr Callaghan would have begun the "Great Debate" at Ruskin College last October.

How well does the Green Paper meet the anxieties that have been expressed? It assumes correctly, that the country's future educational system will be based upon the comprehensive principle.

The virtual completion of reorganiza-  
tion and the end of the period of rising  
numbers mean that in retrospect 1977  
may be seen as a turning point in  
education. It is, however, precisely in the  
comprehensive school, because of the wide  
ability range of its pupils, that a clarifica-  
tion of educational aims is most difficult  
to achieve. In the grammar and secondary  
modern schools, issues of the curriculum  
tended to settle themselves, and monitor-  
ing was comparatively easy. Moreover, the  
11-plus examination, as well as being a  
device to select children for different  
types of school, was also a monitoring  
mechanism for the primary schools; it  
is the abolition of the 11-plus (although  
this is not mentioned in the Green Paper)

that has allowed new and untried methods  
to flourish unchecked.

The comprehensive system, it could be  
argued, is implicit in the ideal of  
"secondary education for all" enshrined  
in the 1944 Butler Act. But the trouble  
is that this ideal has never been accom-  
panied by sustained thought as to what the  
aims of comprehensives ought to be, and  
how well they are able to fulfil them.

The Green Paper rightly concerns itself  
with the content and aims of education,  
and in particular with the question of  
the appropriate curriculum for the  
different stages of education.

In the comprehensive school, the prob-  
lem of the curriculum has last two years  
been in the forefront because the compre-  
hensive movement has been accompanied by  
a mindless egalitarianism which held that  
all children ought to be studying the same  
kinds of subjects throughout their years of  
compulsory schooling and should be tested  
by a common examination system: any-  
thing else was condemned as "unfair" or  
"divisive".

The Green Paper marks a welcome rejec-  
tion of this approach. It appreciates that  
the needs and aptitudes of the children  
and that a good comprehensive ought to  
cater for a diversity of talents and abili-  
ties. The document is maddeningly  
unspecific, however, when it comes to  
curriculum. It does not, for example, ask  
question—to what age ought there to be  
a common curriculum, and at what age  
ought children to specialize in different  
subjects? Might there not be a case for a  
common curriculum until the age of 14,  
with greater diversity in the last two years  
of compulsory education? This issue is  
of course, associated with the question of  
specialist schools for the able, something  
that Mrs Williams has incautiously  
admitted that she is in favour of. But  
the assumption that a comprehensive  
schools cater successfully for able children  
is ignored in the Green Paper. It would  
no doubt raise awkward and radical ques-  
tions for a Labour Cabinet.

The sections on monitoring in the Green  
Paper are also vitiated by large doses of  
Whitehall cotton wool. For as well as be-  
ing interested in general studies of the as-  
sessment of performance, we also want to  
know how well different types of school  
are performing. Does the middle school  
system, for example, yield better results

## How prison authorities can safely break the law

Whatever criticisms may be levelled against  
a penal system, the charge that a country's  
prisons are essentially lawless institutions  
is a particularly grave one. Most people  
regard the law as sacrosanct, and the  
prisoners' position. He cannot extend many  
letters, the telephone is unavailable and  
he is possibly situated in a remote prison  
which solicitors, even if he knows one,  
will be reluctant to visit. Hence, the  
recommendations which the Howard  
League for Penal Reform has put before  
the Royal Commission on Legal Services,  
urging that the formal barriers be  
removed, that lawyers be allowed into  
prisons, and that regular "surgeries" be  
held at which prisoners could freely and  
readily obtain legal advice.

Yet in the main it is not the ordinary  
law of the land which affects the prisoner.  
He may from time to time be concerned  
about some domestic problem which has  
a legal dimension, or wish to press a claim  
that he was wrongly convicted, or, more  
rarely, find himself in conflict with the  
prison authorities over, for example,  
medical treatment or an accident in the  
workshop.

In all of these cases, it is the ordinary  
law which applies. But by the greatest  
irony on the prisoner comes from the  
special legal regime to which he is sub-  
ject from the moment he is entrusted to  
the custody of the prison governor until  
he is discharged at the expiry of his  
sentence; for it is these provisions, and  
the powers they confer, which determine  
virtually every aspect of a prisoner's  
treatment.

Classification, categorization, visits,  
letters, work, exercise, complaints, punish-  
ment, segregation are just a few of the  
matters covered by the Prison Act and the  
Rules made under it. So where lies the  
lawlessness?

In the first place, these provisions are  
so broadly stated that the discretion con-  
ferred is imprecise and unstructured.  
Because of this, efforts are made to pro-

mosure uniformity in the application of these  
powers and this is done by Home Office  
standing orders and circular instructions.  
But these are confidential to the prison  
service and are available to neither  
prisoners nor lawyers. So the implications  
of the rules goes unrecorded and the prisoner  
cannot know whether his treatment con-  
forms to the prescribed pattern or not.

These rules are part of the law made by  
Parliament, and we have witnessed in  
recent years no reluctance on the part  
of the courts to confine the executive to  
the strict letter of the law and assert  
their own powers of review. Decisions  
affecting Laker Airways, television  
licences, and Tameside are only the most  
well-known instances, but there are many  
lessers cases illustrating the trend.

Surprisingly, however, it is now settled  
law that a breach of the Prison Act or  
Rules, no matter what detriment it  
causes a prisoner, is not actionable. The  
prisoner is left to pursue his grievance  
through the internal machinery with all  
its deficiencies. This unique situation,  
attributable not to the prison authorities  
but to the judges, an aberration in our  
fast-developing administrative law, could  
hardly survive a sustained challenge in the  
courts, but until it is formally removed,  
it alone would justify the charge that our  
prisons were lawless institutions.

Whatever attitude one may have about  
crime and criminals, it cannot be right  
that the law may be broken with impunity.  
This is why we send people to prison in  
the first place. What kind of justice is  
imprisonment likely to be if those set  
in authority over prisoners express a con-  
tempt for the law and its processes dif-  
ferent only in degree from the offences  
committed by those in their charge?

Graham Zellick

The author is Lecturer in Laws at Queen  
Mary College, University of London and  
a member of the Executive Committee and  
Council of the Howard League for Penal  
Reform.

## Driving force for the disabled

At a recent meeting to discuss the future  
of the invalid tricycle an exasperated MP  
asked "Could somebody please explain to  
me what the hell is going on with this  
damn thing?" He was voicing the confusion that  
the general public now feels about disabled  
people's needs and wishes with regard to  
their mobility.

In the early 1970s a lobby was mounted  
to secure a new kind of vehicle, the so-  
called three-wheeled vehicle issued to  
some disabled people and a common sight  
with its sit-up-and-beg appearance and its  
anemic blue paint. Up till that time most  
people had certainly looked on it as a ram-  
shackle conveyance but, after all, it was  
providing a means of considerable  
freedom for the days before the  
Chronically Sick and Disabled Persons  
Act.

From the fifties there had been talk of  
the need to replace the trike and in 1962  
the National Fund for Research into  
Crippling Diseases had supported research  
and development on two new four-wheeled  
vehicles for the disabled. One, built on a  
Citroen chassis, made use of the special  
Citroen suspension to enable the rear end  
to be lowered and raised hydraulically. The  
back doors opened horizontally, the lower  
part serving as a ramp to allow the wheel-  
chair user to run himself up into the  
vehicle and on to where the driver's seat  
would normally have been.

As a wheelchair seat is at approximately  
the same height as an ordinary chair—in  
contrast to a car seat which is some six  
inches above floor level—there would have  
been no need for a ramp and it would  
have been necessary either to increase the  
height of the car roof or lower the wheel-  
chair seat. A higher roof would have pro-  
vided an even odder looking vehicle than  
the trike and the National Fund, aware of  
disabled people's dislike of being labelled  
as handicapped, planned to produce a car  
looking as much like other vehicles as  
possible. A new wheelchair was  
accordingly designed with an adaptable  
seat that could be raised and lowered by  
the occupant at will. In the "high"  
position it resembled an ordinary wheel-  
chair, in the "low" position it assumed  
the height and attitude of a driving seat.  
The wheelchair user could thus lower his  
wheelchair, enter the car through the rear

doors and clamp himself into position for  
driving. The chief feature of the other  
experimental vehicle was a redesigned  
control system.

The National Fund was more than a  
little pleased with these two designs but  
merely blank disinterest from industry. No  
company would consider developing a  
vehicle for only a handful of potential  
customers.

A few years later, the anti-trike lobby,  
supported by one of the large motor man-  
ufacturing combines, was established and  
based its argument on the unsociability—a  
mild word for an absurd and cruel restric-  
tion of a no-passenger vehicle—and on the  
inherent dangers in its design and con-  
struction.

Below the clamour of the anti-trike lobby  
there had been a growing murmur from  
those who were disabled but did not drive.  
Why, they wondered, should they be  
doubly disadvantaged?

It was therefore with very considerable  
pleasure that in July 1976 they heard that  
the Minister for the Disabled had an-  
nounced that in future the disabled pas-  
senger would qualify for the new mobility  
allowance equally with the disabled driver.  
Alfred Morris, the Minister, also an-  
nounced that disabled children would be  
eligible for the allowance and the age at  
which it is payable has been gradually  
reduced until it now stands at five years  
of age.

At a meeting convened by the Central  
Committee for the Disabled last February, 100  
representatives of organizations for the  
disabled, many of them in wheelchairs,  
passed, *nem con*, a resolution in favour of  
the reintroduction of the invalid tricycle.

This surprised and confused the general  
public who had been bombarded for the  
last decade with horrifying stories of the  
shortcomings of the infamous trike. Now  
the disabled drivers were openly declaring  
that, even with its faults, they loved their  
trikes.

The anti-trike lobby is an example of  
how a carefully orchestrated lobby can  
mislead. The lobbyists took no note of the  
needs of the non-drivers, who constitute a  
majority of the disabled sector, and they  
went out of their way to ensure the  
advantages of a mobility allowance over  
the provision of hardware.

Duncan Guthrie

The author is Director of Disabilities Study  
Unit.









# Will the guns come out again when the shock wears off in Cyprus?



Men at the centre of the Greek-Cypriot struggle for power: from the left—Mr Kyprianou, Mr Clerides, Mr Papadopoulos, Dr Lyssarides and Bishop Chrysostomos.

Archbishop Makarios, whose funeral took place yesterday, was the only man by whose decisions the Greek-Cypriots were willing to abide. This enormous authority and trust put into sharp focus the magnitude of the political vacuum created by his death. Will his disappearance from the scene be dominated for 27 years ease a solution of the Cyprus problem, or make it harder? Will his successor manage to keep the faction-ridden Greek-Cypriot community united on the course pursued by Makarios and thus prevent civil strife?

The point, of course, is what was the archbishop's policy? Opinions are divided both in Cyprus and in Greece. There are those who saw him as a solid rock, while others are convinced that he was to blame for many of the lost opportunities, even for sacrificing the dream of *Enosis* to an alleged lust for temporal power—briefly, the principal obstacle to a compromise.

The truth, inevitably, lies somewhere in between. But what is more significant is that the line adopted by Makarios this year in full concert with the Greek leaders was regarded as a definite opening towards a solution, as long as Turkey responded positively. And the basis of this common Athens-Nicosia policy was that the solution for Cyprus can be found only in the context of the West, only

with the help of the United States. Makarios confirmed this repeatedly in interviews just before his death.

Greeks in positions of authority believe that, should Makarios's successor adhere to the leftist line, he will "alienate from Cyprus the support of those in the West who can really help" without benefiting from the other side, since the Soviet Union has consistently refrained from antagonizing Turkey over Cyprus. The key to the succession problem, therefore, is policy rather than personality. The choice of successors is fairly large, but policy qualifications limit it to three or four.

Mr Spyros Kyprianou, on whose frail shoulders the presidential mantle automatically fell since he was President of Parliament, would probably have been Makarios's own choice, except that his health has been precarious. Now that he does not have Makarios's moral and electoral support, Mr Kyprianou will have the choice of either revising the policy in order to be more agreeable to the left and the communists who backing he would need, or of teaming up with his more conservative rivals to uphold the common Athens-Nicosia line.

The Greek leaders are trying hard not to meddle in the present selection process. There is little doubt, however, that their choice would be

Mr Glafkos Clerides, a conservative whose moderation in negotiating with the Turkish-Cypriots caused him to clash with Makarios last year. He was soon vindicated, however, when Makarios himself espoused this more flexible line during his historical meeting with Mr Denktaş, the Turkish-Cypriot leader, last January.

Mr Clerides may have lost some of his credibility by associating himself electorally with the pro-*Enosis* right-wing extremists. But he enjoys enormous prestige abroad and is perhaps unique in having gained the confidence of the Turkish-Cypriot community.

An alternative candidate would be Mr Tasos Papadopoulos, an independent who succeeded Mr Clerides as chief negotiator. He does not yet have the stature for the highest office, but seems to be more acceptable to the left than Mr Clerides. Of course, if there is a deadlock a non-political personality may be called upon to become president, especially for the interim period. What the mainland Greeks consider most unlikely now is that the presidency should go to another clergyman, though Bishop Chrysostomos of Paphos has a dynamic political background.

Athens is satisfied that all the political leaders in Cyprus are showing

moderation for the sake of unity. No doubt this also results from the stunning effect of their loss. The hope is that even when they recover from the shock, wisdom will prevail. For the possibility of trouble is always present in Cyprus.

There are, for example, the gunmen of the left. Dr Vasos Lyssarides, leader of the small but extreme socialist party Edekk, who has very close ties with the Arabs, controls a little private army. On the extra-parliamentary right there are the well-equipped remnants of Eoka, which has a long history of trying to impose its will by force. What will these trigger-happy gunmen do once the power struggle begins now or in February, 1978?

Athens would prefer the elections to be fought on the basis of the law, imposed by the morning, rather than time for passions to flare up. The main risk would be a Turkish reaction if, for instance, Eoka tried to take advantage of the confusion and coup in proclaim *Enosis* with Greece. At the same time, if the left is left to the Greeks. Or if, in the event of a Cyprus settlement under western auspices, the left should denounce it as a sell-out and react forcefully. Turkey presumably would not miss the opportunity of taking over the whole island.

There are two inescapable facts about the Cyprus mess at this juncture: the first is the American involvement in this affair as manifested by the United States arms embargo imposed on Turkey and by the assignment of Mr Clark Clifford by the President to find a solution. The second is that the settlement depends on Turkey's willingness or ability to make concessions—territorial and constitutional. That everyone agrees, is indisputable. The death of Makarios is unlikely to influence these factors. The Greeks, not without reason, argue that Turkey had always accused Makarios of blocking a negotiated settlement. Now that he is no longer there, they should be able to come forward with meaningful proposals.

One Greek official said: Such a move would have the added advantage of avoiding the impression that Turkey was acting under the pressure of the arms embargo.

There are some leading Greeks who fear that the attitude of the new Turkish coalition government affords little hope of a change from the intransigent line pursued by Ankara during the 26 months of Mr Demirel's previous tenure. They tend to believe that the Turkish aim is to let the passage of time make *fais accomplis* look less objectionable.

Mario Modiano

## The Welsh who do not want to go it alone

The visit of the Queen to Wales in June evoked displays of warmth and affection for her of the same kind and scale shown throughout England and Scotland this summer. How should one assess this manifest loyalty? Was it purely a personal tribute, or was there latent in it a comment on what may be called the Welsh "question" and the way it has been handled by the Government?

In this article I shall make my personal assessment of the prevailing mood in Wales today, with particular reference to the interrelated issues of devolution and the Welsh language.

Let us look at the background. Wales has been integrated with England for four and a half centuries. It is evident from public opinion surveys that a substantial majority of Welsh people wish to retain this union in some form. Despite many years of continuous propaganda, the movement for home rule still commands the support of less than 10 per cent of the people, and even the proposals to set up an executive Welsh assembly are supported by no more than a third of the electorate.

These facts are not surprising, since the advantages accruing to the people of Wales from their membership of the larger union are immense. There is the boon of complete freedom of movement, residence and the right to work and conduct business anywhere within the United Kingdom. Since the sixteenth century Welsh men and women have moved into England and sometimes into Scotland, and have been welcomed there, even when their abilities have taken them to the top of their professions or secured them posts that the English and the Scots might well have coveted for themselves. Similarly, a great number of English, Scots and Irish have settled in Wales for work, recreation or retirement.

Moreover, many advantages have come from the adoption of the English language in Wales. Welshmen today who do not speak English fluently, through their share in the English culture, as well as their own, and through their unique contribution to the arts, music and literature, the Welsh have become fully involved in the British, Commonwealth and European communities. Under other circumstances they could well have become a somewhat segregated and inward-looking nation. On the other side it is a matter of regret that Welsh-speakers now number no more than one fifth of the population of Wales and there are fewer of them year by year.

At the moment, Welsh Nationalists wish to break up the union with England. Their aim is to create a politically independent and bilingual Wales. But this party, however strident it appears at times, and however scornful it is of other less drastic alternatives, speaks for a small section of the population.

If one looks at other advocates of reform, one finds two groups—those who want constitutional reform, and those who largely concentrate their efforts on the protection of the Welsh language. The aim of the first of these groups is the creation of a Welsh assembly and executive. The Liberal Party wants these institutions to grow within the context of a federal Britain; the Labour Party prefers a form of devolution which sets up an assembly with executive but not legislative powers. The Labour Government and the trade union leaders generally favour a democratically elected body to take over many of the functions of the Secretary of State for Wales, but some Labour MPs and constituency parties, and many of the rank and file of the party, reject devolution of this sort altogether.

Ivor Gwy

## Russian emigrés sacrificed too much to settle for semi-freedom

"Why did you leave your country?" is a question that all emigrés invariably come up against. It would hardly be an error to assert that the word "freedom" crops up most frequently in the replies of emigrés from Soviet Russia and other totalitarian countries.

Freedom... in searching for it many citizens of the first country to achieve socialism listen avidly to broadcasts from abroad. Living in an almost hermetically closed society, they cover every word they can catch from the free world. Their passionate craving for freedom can never be understood by anyone who has not lived under totalitarian conditions. We, however, who chose freedom, who forsook our motherland in the pursuit of freedom, plunged into the chaos of the unknown world, the so-called emigré world—have come to realize better than anyone else the truth of Dostoevsky's words that man can not live in a cage "even if it be a gilded one." And the Soviet cage is far from gilded.

It should be said that many things in the West about which emigrés about which they could only dream in their own country. During the first days some of them spend hours standing before shop windows, rejoicing at the abundance of goods; others take no less joy in the atmosphere of the free world, rushing to share with any firstcomer the bitter experience of life in the Soviet Union. Leading news-

papers and magazines make their columns available to prominent emigrés. The rest have to be satisfied with self-expression in the rather paltry Russian emigré press. No sooner do most emigrés (this writer among them) cross the border than they immediately indulge in all-out criticism of the Soviet system which they know well (and this is by no means hard to do) and in a glorification of every aspect of life in the West which they know only from the propagandistic Russian-language broadcasts from western radio stations.

But time goes fast. I have now lived almost three years in America and therefore feel qualified to draw some conclusions on the basis of my own experience. I admit that I no longer view America exclusively through rose-tinted glasses as do most of the dissidents in the Soviet Union. Many other emigrés have undergone a similar metamorphosis. This shedding of "illusory glasses at the West" applies alike to prominent and obscure former citizens of the Soviet Union.

Without citing third parties, I should like to relate some facts which force me to doubt the actual existence of freedom of speech and press in America which her government-operated radio stations extol and din into the ears of Soviet listeners.

Sakharov's book *My Country and the World* was published in 1975. Frankly, had I read this book while I was living in Moscow and gleaming information about the West solely from broadcasts of certain

radio stations, I would probably have reacted in a positive way to Sakharov's conclusions. But (fortunately or unfortunately) I first read it upon arriving in New York and, as a result, this academician's views and, above all, his baseless idealization of the West struck me as an amazing blend of flattery and naivety. Many emigrés shared views similar to mine, among them the poet Limonov and the artist Bakhtchanian. Eventually the three of us wrote an open letter to Sakharov. In part, we wrote: "Our experience of life abroad has taught us much and it has caused us to shed certain illusions. It is useless to hope that the West, which is going through difficult times, can cure ills which are alien, unknown and which it barely comprehends."

"We know that there exist in the USSR many healthy forces in the most varied strata of Soviet society and we are certain that in the struggle for the democratization and liberalization of the regime, the orientation should first of all be precisely toward these forces. This would be by far the more natural approach and, more importantly, would certainly be more efficacious than any appeals addressed to the West."

Attempts to publish our letter in American newspapers turned out to be futile. They ignored it without deigning to give any explanations. Only Andrei Sedukhin, the editor of a New York Russian newspaper, inadvertently let the cat out of the bag: "Sakharov is so maligned in the USSR, and yet you have the nerve to criticize him here!" Evidently it follows from Sedukhin's outburst that a higher value is placed on various considerations of a political character than on the free expression of opinion. Presumably the general assumption is that since Sakharov holds to a pro-Western orientation, the Western

press must sing his praises and eulogize him and, of course, only agents of Moscow would stoop so low as to criticize him.

However, a detailed account of our letter did appear in *The Times* (November 27, 1975). Thereafter events of such a character ensued which I had considered possible in the USSR, but never in the free world.

As is well known, a mixed bag of troubles await those in the Soviet Union who dare to express a personal point of view which does not accord with the "general line". Alas, on the basis of my own experience, I have become convinced that "administrative measures" can be applied to dissidents in America as well.

Two of the signatories of the open letter to Sakharov (Edward Limonov and I) were then working for the New York Russian daily *Novoye Russkoe Slovo*. Limonov was fired soon after the publication of our letter in *The Times*, and I was informed that my articles could no longer appear in the Russian emigré press. All this smacked so much of the Soviet style that I felt that I had never left home. For there is no difference, in principle, between the concepts of freedom of the press as held by Andrei Sedukhin, the editor of *Novoye Russkoe Slovo*, who lives in New York, and the editors of Soviet newspapers. They are of one mind when it comes to preventing a newspaper from becoming a free rostrum.

I should like to relate another episode in my evolving awareness of the nature of American freedom. At the end of May, 1976, several former Soviet journalists, myself included, held an hour-long discussion in front of the editorial offices of *The New York Times*, protesting the newspaper's systematic distortion of the situation of Soviet emigrés, as well as its unex-

plained refusal to publish our articles. During the discussion we distributed over 3,000 leaflets to people entering and leaving the Times building, explaining the reasons that prompted our protest. Our leaflets stated, in part:

For 10 years you have made proclamations about us, the creative intelligentsia, who are not free in the Soviet Union. We are now here before you in your country. Why do you deny us the right to express our views in the pages of your allegedly free press?

The New York Times, whose motto is "All the News that's Fit to Print", once again "did not notice us". True, someone finally did notice us: we were approached by some athletic-looking individual who, after flashing an FBI badge, suggested that we get moving while the going was good.

In the fall of 1976 a group of creative-minded emigrés from USSR—writers, poets, journalists, artists and sculptors—around 30 persons in all—conceived the idea of organizing their own creative association along the lines of similar associations in the United States. The goals of the association were the following: (1) to establish a publishing house for printing books in the Russian language; (2) to found a journal; (3) to organize Russian-speaking programmes on radio and television; (4) to assist newly arrived artists in arranging exhibits, etc. In short, to promote Russian culture in America.

For the purpose of realizing these goals within a legal framework, we approached an attorney called Jarvis (with offices at 500 Fifth Avenue). He collected a \$500 retainer fee from us and promised to conduct the matter in a few weeks. Almost one year has now elapsed and our organization is still not registered as a legal entity. Why is this so? It is difficult for me to answer

this question. However, I do know for a fact that some of the association's initiatives were visited by FBI agents who exhibited a sudden interest in this creative-minded organization being planned by the emigrés.

Thus if in the Soviet Union Russian culture finds itself under the control of the KGB, one gets the impression that in America it falls under the rule of counterpart functionaries.

My experience has led me to conclusions that are far from reassuring. If in the Soviet Union authorities refuse to publish criticism of the Soviet system on the grounds that such criticism is "against the enemy's will" in America too, albeit no such reasoning is professed, these emigrés from the Soviet Union who do not shout ecstatically about American freedom and who observe the environment with a sober eye, are met with a more than distrustful approach.

The powers that be seem not to notice them but nonetheless, judging by what transpired, their efforts have already been recorded in the files of the FBI. Well, what can one do? Emigrés from the Soviet Union do not need to get used to political surveillance. There is only one thing I know for certain: the urge to curb freedom is an extremely dangerous symptom for a democratic society, and attests to the presence in this society of the germs of totalitarianism. Emigrés from the Soviet Union, however, especially the representatives of the creative intelligentsia, have sacrificed too much for the sake of gaining freedom and, therefore, they cannot content themselves with semi-freedom. On moral grounds they simply have no right to make such an accommodation.

Valentin Prussakov

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### Singing in the Victorian regal manner

For those of you who are not aware of it (and I must confess that I was not) Queen Victoria knew what was about when she came to the throne. She may not have been a great singer, but she took weekly singing lessons for 20 years from Signor Lablache, who performed a lot at Covent Garden.

The Queen sang some remarkably dangerous items, including those difficult duets from *Norma* with her mother, the Duchess of Kent, and later with her vocal daughter, Princess Beatrice. In due course she arranged singing lessons for the Royal Family with Signor Tozzi, who was the arranger of elaborate concerts at Windsor, Osborne and Balmoral.

It gave me great pleasure to hear (as another Queen once said) that a repeat of "Queen Victoria's Singing Lesson" will be given by Maestro Tozzi, accompanied on the pianoforte by Maestro Scambati in Kensington New Town Hall on August 30 at 7.30 o'clock. Costumes of the period will be worn.

The Anglo-Italian Friends of Music (care of 14 Pitt Street, London, W8) have arranged for a practised maestro (his name must remain a secret) to give the lesson and invite "Her Majesty's musical subjects who wish to take a lesson" to apply before August 20 (with the appropriate fee).



### Stout, but fit

It all started at Huxley last month when the chief Architect said that I would never be able to take the Guinness assault course. Thus, to Park Royal the other day, map in hand until I saw the notice "cattle crossing" (and this 50 yards from the North Circular). No sign of Liffey water anywhere.

At the Toscani Inn (or million bottle bar, to more precise) I was informed that Guinness has 13 breweries round the world. A Japanese visitor told me that it was not to say that

### Common sense

I may not know my Tobermorys from my Great Uncle Baglari, but I can instantly tell a Wimbledon common from a Cardinals Cross common. For one thing, Wimbledon's has a windmill.

However, last weekend I went to Pinewood Studios and became hopelessly disoriented. I learnt that they have moved the Surrey windmill to Bucks, and the common along with it.

A film called *Wimbledon Free* is now before the cameras and the enthusiasm of its director, the genial Lionel Jeffries, has convinced me that his fantasy musical will overcome my apathy to the furry folks whose home Elizabeth Beresford located on Wimbledon common.

Why has the film not done likewise? Too far for the unit to travel from Pinewood, I was told, and Wimbledon common has little to ravish the eye, except the windmill. So up went the replica windmill at Gerrards Cross which is closer to the studios and more lushly green than SW19.

I hope my disclosure has not seriously wounded Wimbledon's *amour propre*. It can always fall back on its tennis.

If I receive many more "Rules OK" graffiti contributions, I will probably have to apply for a bigger diary office in which to store them. The craze has now ignited the interest of our transatlantic cousins, too. I was interviewed by the Canadian Broadcasting Corporation about it the other day and I hourly await a similar approach from other sophisticated nations. Meanwhile, here is another selection. From Pembroke College, Oxford, where I am told the genre flourishes, came these: "Heise-

### On the carpet

Unfortunately, because of PHS, Earlham Street, WC2, is looking more drab this week than it did last week. The red carpet painted on the road outside the British Crafts Centre is there no more.

A senior official from Camden council summed up the centre's white elephant, said a bye-laws about artificial pedestrian crossing had been infringed, and demanded the carpet's instant removal.

"Do you realize I could throw the book at you?" he said to Miss Fiona Adams, organizer of the Jubilee exhibition at the centre, in best Perry Mason fashion.

There ensued much scrubbing by ad hoc police removers.

### So, back to the Beginning

Alert readers will have noticed that last Thursday *The Times* reverted to the generally accepted spelling of the name of Israel's Prime Minister, Menachem Begin, after spelling him Beigin since his election last May.

The change "i" was a revision to an earlier spelling which our Foreign Editor, Louis Heret, had good reason to believe correct: he was our correspondent in Tel Aviv in 1948 and interviewed Mr Begin then leading the Irgai (Zionist) when he emerged from the underground.

Let me tell you about a sitting target. The August game fair edition of the monthly magazine *Shooting* has a competitor who look at the photograph and put a cross where you think the clay shooting target should be.

To win the £430 prize, all you do is to buy the current game fair edition of the weekly magazine *Shooting* Times. On page 72 is the identical photograph, with clay targets clearly shown.

The exhibition is at the British Museum.

"I asked him how his should be spelt." Mr H. Beigin agreed should be Beigin.

That remained *Times* until about 1960. But in the paper rallied to the "Begin", already ad by the bearer of the name years earlier for the British edition of his autobiography, *The Revolt*.

The reason for the change "My name does not rhyme with Beigin" he told a press conference in Washington month.

A reverend gentleman asked a cup of black coffee at a in Battersea Park where exhibition is being held. "There's only white" he told. "We haven't got the sort of plastic cup for black coffee." The exhibition is at the British Museum.

berg's Uncertainty Principle Rules OK? and "Lazary Drools OK?" (The 1. tute of Psychiatry in London subtit "Pavlov's Dogs" for "Lazary"). In so vein are those two graffiti from the Imp College in London, "Shreded rule OK?" and "Absolute zero rule OK?" From the University of Aston, Birmingham, comes the "Break Rules C" whereas the forces of law and order at University of Sussex have come up with "Rule—OK?"

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The Weekly who do not go it alone



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## LESS CONTESTED CANAL ZONE

American and Panamanian agreements are reported to be on the verge of initialling the status of the Panama Canal. President Torrijos of Panama spent the week-end at a conference in Bogota on the details of the agreement to be signed by the leaders of the two countries. The agreement, which is being described as an "in-block" of "respectable" American and Caribbean countries, includes Mexico, Venezuela, Colombia and Jamaica. Mr. Carter on his side will be persuaded to do it to get the new treaty ready for the Senate (a two-thirds vote is needed), and those of it that involve cession of States property approved by the House of Representatives. The issue of the Canal Zone is an emotional one for both sides. The Canal Zone is the deepest source of understanding between the two countries. It was created by the Roosevelt in 1903, in the day of imperialism. Panama itself was created as an independent state largely by the United States. The treaty was drafted two weeks of independence signed on Panama's behalf by a French engineer. It is the United States "in perpetuity" all the rights, power and authority "which the United States would possess and exercise over the sovereign of the result is that to this day remains bisected by a

strip of land ten miles wide in which American law is enforced by American courts and no Panamanian is allowed to reside. Besides the Canal itself the Zone contains fourteen military bases and a community of residents. The American citizens whose high standards of living and colonial attitudes do nothing to soothe the pride of the impoverished Panamanians. There is a strategic position at a crossroads of world trade, Panama receives in compensation the princely sum of 2.3 million dollars per year. Not surprisingly, every Panamanian government since the treaty was signed has sought to revise it or replace it; and in recent years American governments have become increasingly conscious of the need to move on the issue both in order to preserve their influence in Latin America generally and because the Canal itself is very vulnerable to sabotage. If Panamanian irredentism should ever get out of hand. In 1974 Dr. Henry Kissinger agreed with his Panamanian opposite number, Señor Juan Tack, that the 1903 treaty should be replaced by a new one, of fixed duration, restoring jurisdiction in the Zone to Panama but allowing the United States to continue operating, maintaining and assuring the defence of the Canal. Negotiations have been carried on since then but were overshadowed last year by the American election campaign, in which Governor Reagan was able to tap a deep well of resentment at the

idea of ceding "American sovereignty" over what is regarded as a crucial national asset. In fact sovereignty is the one thing clearly not accorded to the United States by the 1903 treaty, but even President Carter himself finds this legal distinction difficult to keep in mind: he said last month that under the new treaty the United States would retain "partial sovereignty" over the Canal Zone. What is envisaged in fact, it seems, is that within three years the Zone will be brought under the jurisdiction of Panamanian law, but that the United States will remain in possession of the Canal and will retain a gradually scaled down military presence until the end of the century. Thereafter (and this is Panama's main concession) the United States would retain a right of intervention in the event of any threat to the security of the waterway. Panama will also get an increased royalty as well as some kind of aid package, though it is not clear whether the amounts of these have yet been agreed. It sounds a very reasonable agreement, and Congress would be both unreasonable and shortsighted to reject it. Certainly Mr. Carter should leave Congress in no doubt that any return to confrontation on the issue would find the United States isolated even among her allies. Britain in particular should be prepared to take a moral stand on this issue, in view of the courageous stand taken by Panama in favour of Belize against all its Central American neighbours.

## QUESTIONS THAT STILL NEED TO BE ANSWERED

History of the £49,500 "post gratuity" paid to Ryder of Eaton Hastings. The left Reed International some the Government's industrial adviser has not cleared up. The known fact is that when it learned that Reed International was to leave the financial committee to ad hoc committee to the financial committee. At a in November 1974 one committee, Mr. Robert ley, who ran Reed's in operations, suggested a Canadian company, in Forest Products, might make a payment. CFP part of the Reed group, had been involved in joint with Reed and Lord had been a director, apparently not an one, for several years. Reed to Reed International ad hoc committee said that solely a matter for CFP no concern of Reed. following month, Reed Mr. Billingsley hed CFP with his pro was rebuffed: he then another proposal: CFP make a payment and then be reimbursed by aper of Toronto. CFP the suggestion unusual, need to help and in 1975 a payment was made through an offshore to Lord Ryder. CFP n reimbursed by Reed main operating sub-

sidary of Reed Paper, and the sum was entered in the books of Reed Ltd as a political contribution. Reed International states that these transactions did not have its authority. When, in June this year, Lord Ryder learned from Reed International that the money was not in fact a gratuity from CFP he immediately repaid it. Reed then set in motion an independent investigation which the group maintains established the part played in the affair by Mr. Billingsley, who had by that time left the company for reasons unconnected with the Ryder payment. There, for the moment, the matter rests. But too many questions remain unanswered. Lord Ryder has issued two short, factual statements, but has refused to answer any of the many supplementary questions which have been put to him by the Press; Mr. Billingsley has remained uncommunicative; and Mr. Alex Jarratt, the present chairman of Reed International, has had to tell angry shareholders that he still does not know the motives behind Mr. Billingsley's curious actions. Mr. Jarratt has also refused to publish the full report of the independent investigators. Mr. Billingsley set up the payment, but did so, according to Reed International, without authority. One explanation may be that Mr. Billingsley genuinely but mistakenly believed he had the authority of the ad hoc com-

mittee. The minutes of that committee, a copy of which must have been sent to Mr. Billingsley, should be published. The public, and more important, the shareholders, will then be able to judge whether there was room for misunderstanding. If from this it appears clear that there was no ambiguity and that Mr. Billingsley knowingly contravened the wishes of Reed International, the shareholders should press Mr. Jarratt, who has said that he has tried and failed to find Mr. Billingsley's motives, to try again, and harder. They should also demand publication of the full report of the investigation. Lord Ryder himself would help to throw some light on the matter if he made himself more available. CFP, when it made the payment, presumably sent at least a covering note, and Lord Ryder, on receiving what he thought to be a generous gratuity, presumably wrote to thank the donors. Lord Ryder should arrange for publication of this correspondence. Public men often feel that the interest of the press in their private affairs is an impertinence. Lord Ryder, still bruised by the unfortunate Daily Mail affair, has greater cause than most to feel that. But such sentiments are unworthy of a man who at the close of his career in private industry ran a group which owned one of this country's best known newspaper and publishing empires. It is time for Lord Ryder to put the facts fully on the record.

## MAINTAINING THE DISRUPTIVE DELINQUENT

g secure residential accommodation for that small number of juvenile criminals particularly disturbed or risk, who represent a con- risk to the community, whom normal methods of t or containment are te, has proved to be bly difficult. That there for such secure units is no longer disputed. The and Young Persons Act, ich has worked reason- for the vast majority of linquents, has not been off with the hard-core offender, usually also ate truant, sometimes from a degree of personality disorder, ming from deprived vironment, and almost y an absconder from ty homes to which he as been sent. There may be little about the necessity for lden to be placed in hat is, escape-proof—

accommodation, there is a great deal of debate about how many would need that degree of restraint, and about what form it should take. The Department of Health and Social Security, in its latest circular to local authorities, provides interim guidelines for the design of new secure units to be added to existing community homes. The emphasis is in all the right places. The DHSS envisages the units as being, as far as is compatible with security, integrated with the home, with many shared facilities, so that a child whose condition or attitude improves sufficiently can easily make the transition from physical containment to relative freedom. While the child is in the secure unit, the circular stresses the need to make the environment within its boundaries as open, attractive, and freely accessible as possible. The DHSS document has the limited purpose of providing design guidelines. It does not pretend to deal with the more important questions concerning

secure accommodation. Where is the money to come from? The Government has made a special allocation to local authorities for the building of secure places, but the projects that have been and can be built with that money fall far short of the estimated need. Neither central nor local government put the building of homes for young delinquents high on their lists of priorities, especially at a time of spending constraint. Even if the money is there to build sufficient units, who is going to staff them? There has been a growing shortage of trained residential staff for community homes, especially those capable of coping with the more difficult children. The secure units will require a higher than usual staffing ratio per child. Local authorities are already cutting down on the number of social workers. This hardly inspires confidence that staff will easily be found to deal with the difficult and demanding task of handling the most disruptive delinquents.

## House sales

Director of Shelter. Mr. Cutler's article (August) council house sales shows lack of understanding. It is that he has pro- nass of figures on houses GLC has not the slightest of selling. His figures the whole GLC stock but ries his council intends to only part of that stock. The houses with gardens ve high rents and low ice costs. They are the which are already in n other words the GLC a profit on them through more recent houses and ing flats can be subsidised. e of the reasons why GLC tribute less than they the Housing Revenue s because houses making

a surplus were sold by the Tory GLC between 1966 and 1972. Mr. Cutler's figures are also made meaningless by the fact that he takes only the first year's costs and omits to mention that net income will go on rising while net mortgage income falls. There is an initial surplus but eventually there is a deficit. The question is how soon that deficit will occur. In looking at Leeds in his recent Roof article, Bernard Kilroy was quoting real costs of houses sold. Mr. Cutler feels that article was invalidated by its "rash" assumption that rents will increase faster than costs over the next 60 years. But over the last 30 years rents have increased faster than inflation while management and maintenance costs only 11 times. Is it wiser, as Mr. Kilroy did, to extrapolate forward on the basis of trends over the last few

extraordinary years, as Mr. Cutler's friends seem to do? Notwithstanding the misleading figure in the GLC's leader's article I welcome it as a contribution to a debate which Shelter's magazine, Roof, has tried to promote in articles expressing both points of view. Is it too much to hope that now that Mr. Cutler has moved away from his stated position that the economics of council house sales do not matter we can have a full public discussion of all the assumptions on which the plans of the GLC and other councils are based? If this does not happen, groups like Shelter will be forced, by default, to assume that those who have argued that council house sales cost public money are right. Yours faithfully, NEIL MCINTOSH, Director, Shelter, 157 Waterloo Road, SE1.

## LETTERS TO THE EDITOR

### 'Think Tank' report: the value of BBC external broadcasts

From Lord Hill of Luton  
Sir, By a strange quirk of maverick logic, Sir Kenneth Berrill's Central Policy Review Staff team argues that an allegedly weaker Britain should now reduce or renounce its remaining means of influence overseas—the BBC External Services and the British Council. If you cannot impress the world by your strength, do less to influence it by your publicity. The Think Tank endorses the BBC External Services' record as a national success. Then it goes on to question the validity of its disseminating news about Britain, and the British culture and British values, preferring that it should concentrate on world news and information. What it forgets is that the BBC is believed and listened to with respect on international events because its whole tradition of broadcasting is grounded in British society, civilization and values. In other words the team suggests that having attracted a worldwide audience, we should cease to propagate our own virtues and values. Then again, the team argues that we should deprive our friends in Western Europe, North America, Australia and New Zealand of the service the BBC has so long given them. Do our friends deserve such disregard? Should we not heed Dr. Johnson's advice that a man "should keep his friendships in constant repair"?

There is a no less dangerous flaw in the team's logic that the overseas work of the British Council should be abolished or reduced, what remains being undertaken by governmental agencies. Does not the team realize that such a transference would of itself automatically reduce the effectiveness of what it has done? In the spread of British culture the British Council has an influence which a government agency has never had and could never have. It is trusted where governments, alas, are not. Yours sincerely, HILL OF LUTON, House of Lords, August 8.

### All at sea

From Mr A. M. B. Bell  
Sir, Spread across the oceans of the world are ships of the British Merchant Navy. The isolation of these seamen is greatly reduced by listening to the incomparable BBC World Service.

It is all Lombard Street to a china orange that the Central Policy Review Staff forgot this when their destructive report was compiled, recommending the curtailment of the BBC's social service.

Yours faithfully, ANDREW M. B. BELL, Managing director, Church Shipping Limited, 2 Church Row, Portliver, Helston, Cornwall, August 4.

### The home audience

From Mr Anthony Terpiloff  
Sir, It's not only foreigners and expatriates who sorely need the BBC World Service as is, but all the internal exiles from our parochial domestic news programmes. They know there's more to this world than wage claims, strikes and the cost of living, etc. Yours faithfully, ANTHONY TERPILOFF, 52 Wernafford, Pandey, Abergavenny, Gwent, August 3.

### Invisible exports

From The Director-General of the Committee on Invisible Exports  
Sir, The Berrill Report on overseas representation has one remarkable achievement: it has made the words "invisible exports" do not seem to feature on any page, apart from a one line reference to this Committee in the appendix. This has produced two immediate, and in my personal view, serious defects in the report. First, it is too defeatist about Britain's economic performance in the world. Secondly, it has led it to analyse the future needs of the foreign service largely in the light of visible exports, and has been too basic recommendations, particularly in chapter 6, on this one-sided analysis. The report says at the outset that

it intends to analyse "the nature and extent of the United Kingdom's overseas interests". Yet in chapter 2 it simply buys its gloomy calculations on the United Kingdom's declining output and on its share of world exports of manufactures. Looking ahead it tries to be a little more cheerful at the prospect of North Sea oil and the development of our industrial strategy. One wonders why the "think tank" in considering Britain's overseas interests, and in analysing what might be done to promote and protect them, excluded the following points: 1. Britain's invisible exports (the Income from the export of services and from the return on overseas investments) are now over £12,800 million gross, one third of our total foreign income and the second largest in the world. The market pattern is different from that of visible exports.

2. Britain's private invisible surplus has grown from under £1,000 million to over £4,000 million in the last 10 years and should reach over £5,000 million this year, while Germany's and Japan's invisible deficits have been widening dramatically.

3. The value of Britain's vast overseas investments (both direct and portfolio) is no less than £27,030 million and second only to those of the United States. Again the geographical pattern is different from that of visible exports, and is not covered in the report.

4. Britain's multinational corporations now number over one thousand, second only to the United States, and have more overseas links than any other country (70,000 compared with 23,000 by US multinationals) and 18,500 by German multinationals.

All these trends have changed significantly since the publication of the earlier Duncan report. Their neglect in the Berrill report has led the "think tank" to some chalcid conclusions. On pages 19-22 and 69 it discusses both export market concentration and product concentration in terms of visible exports, and it breaks down these markets by size and potential. It then proceeds to suggest which posts might be "obvious candidates for closure" (page 69 related to table 3, pages 421-422). At least three of these are places of high significance to invisible exporters. Similarly in considering the future of the Government's export services, the report suggests that the needs of visible exporters.

A report which ignores some of Britain's vital overseas interests in this way is, to say the least, highly questionable, particularly at a time when the Foreign and Commonwealth Office is being so much encouraged to encourage invisible exporters whenever that help has been requested.

Incidentally, isn't there a mistake in the second footnote on page 69? As worded, at present, it suggests that the "think tank" wish to close down our posts in Washington, Paris, etc. Perhaps they do. Yours faithfully, W. M. CLARKE, Director-General and Deputy Chairman, Committee on Invisible Exports, The Stock Exchange, EC2, August 5.

### The French example

From Professor Hugh Seton-Watson, FBA  
Sir, As you observe (August 3), the value of cultural exports and diplomatic contacts can be neither proved nor disproved, yet your main argument is powerfully supported by historical evidence: by the history of modern France. France has been a great power since 1815: the military, industrial or manpower resources of a first-rate power, but such she remained for over a century as a result of French diplomatic skill and cultural influence. The network of French institutions and cultural missions all over the world enormously contributed to maintaining France's effective power; and this power was almost always exerted on behalf of humane values and liberty. French ability to perform this role was promoted much less by the memory of past glories than by the fact that the French language had become the instrument of civilized men all over the world. This advantage has now passed to the English language, and this fact provides a source of great opportunities for British statesmen, could they but be made to see that it is

their task to spread the culture of the nations of Britain.

It is at this point that one becomes aware of a basic difference between French and British political attitudes. France has suffered many social changes, often painful, since 1815, and has been torn by factional and ideological disputes, yet all Frenchmen have always shared a pride in French culture. This pride has been a major cause of the relative recovery of France since 1940, which has so strikingly coincided with the steady decline of Britain in the same years.

British politicians have never attributed much importance to British culture, at home or abroad (witness the perversely stingy attitude to the British Council ever since its creation). This has become still more marked in recent times. The New Men of Power seem determined to undermine all non-plutocratic values, and are well set to destroy our cultural heritage by destroying its roots at home. The replacement of the nation's craftsman (the prime mover in the services, the thinkers, the men of learning, the artists, the inventors, the diplomats—to name some obvious examples) by a swelling host of multifarious blinkered bureaucrats is a strange recipe for arresting the decline which threatens us. Yours faithfully, HUGH SETON-WATSON, 8 Buryhill Road, SW19, August 5.

### Promoting design

From Sir Paul Reilly  
Sir, Others will be able to comment with more authority than I on the broad arguments of the Berrill Report, but on one narrow though important front I can speak from first hand experience with great appreciation of three of the bodies that are under fire, for, had it not been for the Foreign and Commonwealth Office and the Central Office of Information, Britain's reputation for promoting design in industry would not have been so widespread and certainly not so well regarded in the Communist camp, while, were it not for the British Council, the work of Britain's many very distinguished living craftsmen would not be winning such international acclaim on both sides of the Curtain, and certainly not so well largely through the efforts of those three much criticized agencies that two other much smaller British institutions—the Design Council and the Crafts Advisory Committee—have become models for admiration and emulation around the globe. Yours faithfully, PAUL REILLY, 3 Alexander Place, SW7, August 6.

### Helping the press

From Mr Herman Nickel  
Sir, At the conclusion of a three-year assignment in London, allowing me to put in a word in defence of information officers in the home departments, who have just come in for criticism from the Government's "think tank". With one or two exceptions I have found them to be as helpful as their counterparts in Washington and Bonn, not only in producing data, but also in setting up appointments with Cabinet Ministers and other senior officials. In the end, the amount and quality of information a London based correspondent gets will always depend more on his own initiative than governmental spoon-feeding. Sincerely, HERMAN NICKEL, Bureau Chief, Time-Life International Ltd, Time & Life Building, New Bond Street, W1.

### Judging risks

From Mr J. B. da Silva  
Sir, Comments on the Berrill Report often seem to imply that the political and commercial functions of our Embassies abroad are somehow mutually exclusive. Surely a businessman is better qualified than a diplomat or second civil servant to judge commercial risks? What he finds much more difficult is to judge political risks. The "events" of the last two years in Lebanon are a case in point. Yours truly, J. B. DA SILVA, Copse Close, Virginia Water, Surrey.

### Strangers in London

From Mr Craig Sams  
Sir, Lord Greenhill's Friday evening rally (Letter August 3) reveals that Kensington Gardens is frequented largely by Middle Easterners and other non-British visitors. This is hardly surprising. London's parks are greatly appreciated by natives of countries where climate and other factors do not allow such lush and green expanses. The average Briton tends to take these facilities for granted, and is more likely to be found, at the end of the working week, relaxing at the local or in front of the box. Yours sincerely, CRAIG SAMs, 126 Oxford Gardens, W10.

### Proof for Isaac Newton

From Mr N. J. S. Morris  
Sir, Were Isaac Newton alive today I am sure he would be reassured to read the heading on page 7 of The Times today (August 5)—"Apples May Fall". Yours faithfully, N. J. S. MORRIS, 28 Courthouse Villas, Wimbledon SW19, August 5.

### Compensating the Banabans

From Mr Anthony Kershaw, MP for Stroud (Conservative)  
Sir, There is not in the House of Commons a more doughty fighter for any underdog than my colleague the one from South-East, Sir Bernard Braine. But in his fervid champion-ship of the Banabans (Letter August 5) I think he has allowed his generous heart to overwhelm his judgment of what is fair and reasonable.

No one denies that for a time the Banabans were paid rather less than was fair in royalties for the phosphate on their island. This injustice Her Majesty's Government seek to put right by an ex gratia payment. Nor does anyone deny that the Banabans, like everyone else in the world, suffered cruelly during the Japanese war.

But the Banabans' demands go far beyond compensation. They say they should be paid virtually all the royalties, not just a special proportion, basing their claim on the assertion that they were never part of the Gilbert and Ellice Islands Protectorate or Colony, and that they are of different race to the Gilbertese. This is frankly nonsense, on both counts. The Banabans' Ocean Island was for a time the capital of the Territory; and even the Banabans admit that there are probably no pure blood Banabans still extant, so much intermarriage with the Gilbertese there has been.

The Banabans' claim that they wish to return to Ocean Island is equally spurious. Ocean Island is almost entirely of phosphate: when the rock is removed a desert is created. Even if millions of tons of soil were transported there, as the Banabans demand, the island could only support about 100 people. There are 2,000 Banabans, living on Rabi Island, in the Fiji; a fertile and uncrowded island which they were given when Ocean Island became uninhabitable. None, or very few, even want to move back to Ocean Island, and the future that they have worked themselves into is a phoney demand worked up by their leaders recently in order to screw some more money out of some one, whether it be Her Majesty's Government, the British Phosphate Commission, Australia, New Zealand, or the Gilberts.

As it is the Banabans, because of royalty payments, have a considerably higher standard of living than the Gilbertese, the Fijians or any other inhabitants of the area, and if they would get down to developing their island of Rabi, instead of waiting around for more dividends and cash, they would be better off still. It is quite impractical to administer Ocean Island separately from the Gilberts, as Sir Bernard suggests. The island is only 24 hours' steaming from the Gilberts, whereas it is 1,400 miles from Rabi. The Gilbertese are absolutely adamant that Ocean Island should remain part of their exclusion would wreck the constitutional conference about Gilberts' independence. Administratively, any aid, medical, police or whatever must come from the Gilberts. Finally the Government of Fiji, which is the sovereign power of their group and the Banabans on Rabi, would refuse to take over Ocean against the wishes of the Gilbertese.

The Banabans are entitled to our sympathy and support. They have had both. It is sad to be displaced. But any idea that the Banabans are living in a state of refugee status, camp, longing to return to the home of their ancestors, is the reverse of the truth. Their trouble is emotional and psychological, not material. Their refusal to negotiate, even to talk to the Gilbertese, is evidence of a kind of refusal to let go of a higher wall of misunderstanding and ill-will. But it is a wall they have built themselves. I beg to remain, Sir, your obedient servant, ANTHONY KERSHAW, House of Commons, August 6.

### Helping the disabled

From Lord Campbell of Croy  
Sir, The figures in a parliamentary reply were reported in your columns (July 28) under the headline "Big rise in cost of helping the disabled". Allowing for inflation, this was a measure of increasing action being taken by local authorities. There need not, however, be a rise in costs to the country as a whole. Adaptations in the homes of disabled people and allowances for looking after them should relieve the excessive expenditure if carried out with imagination and good sense. If the disabled are helped by local councils to live outside hospitals or institutions, this costs much less for the National Health Service (the taxpayer). Those of us who were involved in the parliamentary campaign in the 1960s on behalf of the disabled managed to get this point through to government departments, including the Treasury. That was the turning point in securing official cooperation. Now, when public expenditure must be severely restricted, greater efforts in this field need not cause a net increase in costs to the nation. Moreover, it is clearly better in every way for the seriously disabled to be living in the community where this can be made possible. Yours faithfully, CAMPBELL OF CROY, House of Lords, July 30.

### Army nicknames

From Mr L. G. Scales  
Sir, To me, a ranker who served throughout the war at the sharper end of the Army, the chumminess of nicknames seems quite out of keeping with the recognized aloofness of Generals. Apart from Wilson's "Jumbo", I never got to know what their nicknames were. Moreover, had I been able to get that close and dared to have asked them, my chances of escaping charges for insolence would have been very slender indeed. Yours truly, L. G. SCALES, Coopersale Hall Farm, Epping, Essex.



# THE TIMES

## BUSINESS NEWS

Travel agents to  
ge retention  
closed shop,  
ge 14

### Bank lending cost less with base rates ipped to 8 pc

By Clifford Webb  
A meeting of 2,000 Leyland Cars tool-  
makers yesterday voted almost unani-  
mously for their representatives to with-  
draw from the joint union-management  
working party on which the company has  
pinned all its hopes of achieving pay and  
industrial relations reforms.

### US dollar rebounds after Bonn accord

By Caroline Atkinson  
The dollar rebounded sharply  
on the foreign exchange mar-  
kets yesterday after the week-  
end meeting between Mr  
Michael Blumenthal, United  
States Treasury secretary, and  
Dr Hans Apel, his German  
counterpart.

### Toolmen quit Leyland working party

By Clifford Webb  
A meeting of 2,000 Leyland Cars tool-  
makers yesterday voted almost unani-  
mously for their representatives to with-  
draw from the joint union-management  
working party on which the company has  
pinned all its hopes of achieving pay and  
industrial relations reforms.

Union of Engineering Workers—to honour  
the commitments made to them in March  
to deal with their claims by July.

would be contrary to the rules of the  
AUEW and would open the door for  
similar demands by other workers.

### Bristol to launch first floating city bond

By John Whitmore  
The City of Bristol, as is only  
fitting for a port, is to float.  
After the Government's experi-  
ments earlier this summer with  
variable interest rate stocks,  
Bristol is to become the first  
local authority to launch one.

### Veetener' for Reyrolle proposed merger

By Nicholas Hirst  
The Parsons shareholders  
get a better deal out of  
proposed merger with  
Chapman.

because of Reyrolle's improved  
prospects now that the Govern-  
ment has invited the Central  
Electricity Generating Board to  
give Parsons the contract for  
the turbines in the Drax B  
power station.

### Tollemache accepts £5.7m Ellerman bid

Tollemache & Cobbold, the  
Ipswich-based brewing concern,  
has agreed to a £5.7m takeover  
by Ellerman Lines, the huge  
privately-owned shipping and  
transport group.

chairman of Northern Foods,  
which bought an 11.8 per cent  
stake in Tollemache early last  
year, last night described the  
offer as "disappointing and  
mean".

### 89 UK groups in top 500

From Frank Vogl  
Washington, Aug 8  
In the latest list of the 500  
largest industrial companies  
outside the United States,  
Britain again figures promi-  
nently.

National Iranian Oil, British  
Petroleum, Unilever and Philips  
of Holland.

### IMF losing place on board

By Blake  
The IMF's place on the  
board of the world financial  
system, such as France and  
Britain, have slipped in impor-  
tance. This question may assume  
great importance at the IMF  
meeting in September.

reallocated to take account of  
the way that the one-time heavy-  
weights of the world financial  
system, such as France and  
Britain, have slipped in impor-  
tance. This question may assume  
great importance at the IMF  
meeting in September.

one of the two top places as a  
source of funds for a two-year  
period.

### Italy told to curb spending

Italy has been told by the  
International Monetary Fund to  
make greater efforts at curbing  
growth in public spending in  
order to leave more money  
available for the private sector.

In a letter to Signor Gaetano  
Stammaiti, Treasury Minister,  
Mr Alan Whitmore, IMF Euro-  
pean director, expressed con-  
cern over agreed spending  
limits for this year and next.

### Retail sales

The following are the seasonally  
adjusted figures for the volume  
of retail sales and value of new  
instalment credit released by the  
Department of Industry.

### Retail sales revised down

The Department of Trade has  
revised downwards its estimate  
of retail sales in June to 103.8  
from its original figure of  
104.5.

worst his sector has been in  
four years and clothing down 5  
per cent in the second quarter  
compared with a 1 per cent fall  
in volume for trade as a whole.

ANGLO-AMERICAN SECURITIES CORPORATION LIMITED			
Interim Financial Statement for the six months ended 15th July, 1977			
	(Unaudited)		
	Six months ended 15th July, 1977	Six months ended 15th July, 1976	
1976	1977	1976	
966	Gross Revenue	1,839,828	1,555,050
538	Less: Expenses & Interest	283,893	306,279
428	Net revenue before taxation	1,555,935	1,248,771
148	Less: Taxation	619,296	488,629
285		936,639	760,142
223	Less: Preference Stock		
162	Dividend	40,611	40,611
179		896,028	719,531
159	Less: Interim Dividend	564,046	540,787
183	NET REVENUE RETAINED	£331,982	£178,744
159	Dividend on Ordinary Shares payable 25th August, 1977	1p	1p
159	*Net Asset Value per Ordinary Share at end of period	128p c.d.	125p c.d.
159	Net Asset Value per Ordinary Share assuming full conversion of c.d. Convertible Loan Stock	127p c.d.	123p c.d.
159	At Asset Value includes the full amount of the investment premium which at 15th July, 1977, was 20p per Ordinary Share (15th July, 1976—25p, 15th January, 1977—24p per share).		
159	vision has been made for any liability to tax on gains which may arise in the future on realisation of investments.		

### EMI cites Pfizer in patents suit

EMI yesterday took legal  
action in the United States  
alleging infringement of the  
company's X-ray scanner patents  
by Pfizer Inc and its subsidiary,  
Pfizer Medical Systems.

### Kuwait price talks

Kuwait is discussing with its  
main oil customers a generally  
expected price cut, which  
might reach about 10 cents a  
barrel, *Petroleum Intelligence*  
Weekley reports.

### Electronic exchange

An electronic private auto-  
matic branch exchange (PAEX)  
featuring microprocessor con-  
trol is to be offered by the  
Post Office, Plessey and GEC  
are working jointly with the  
Post Office on the project.

### How the markets moved

Rises	Falls
Assam Frontier 20p to 27p	Plessey 2p to 9p
Basis 5p to 11p	Prop Bldgs 10p to 25p
Britannia 31p to 23p	Racal 11p to 30p
Caravans Int 3p to 7p	Shell 14p to 57p
Cartage 25p to 41p	Sunair 12p to 15p
Comet Brev 5p to 8p	Steel Bros 12p to 28p
Couch Grp 5p to 38p	Sun Alliance 10p to 46p
Davis & New 18p to 11p	Unilever 4p to 20p
ICI 16p to 22p	Wearwell 2p to 10p
Imp Chem Ind 11p to 41p	Whitcroft 15p to 16p
Hawker Sid 6p to 18p	Whittingham 2p to 20p
Marston 5p to 47p	Wills Faber 10p to 27p

### Falls

BET Dtd 7p to 51p	Sanger JE 4p to 47p
E Rand Prop 7p to 20p	Vita-Tex 2p to 35p


Equities had widespread gains.  
Gilf-edged securities went ahead.  
Dollar premium 10p per cent.  
Sterling last 15p to 17.75p. The  
effective exchange rate index was  
at 61.8.

### On other pages

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### THE POUND

Bank	Bank
buy	sell
Australia \$ 1.62	1.57
Belgium Sch 30.00	28.00
Canada \$ 1.00	1.00
Denmark Kr 10.76	10.36
Finland Mk 7.30	6.85
France Fr 6.75	6.42
Germany Dm 4.17	3.95
Greece Dr 6.25	6.12
Hongkong \$ 8.40	7.95
Italy Lr 156.00	150.05
Japan Yn 485.00	460.00
Netherlands Gld 4.44	4.18
Norway Kr 9.46	9.10
Portugal Esc 69.75	65.75
S Africa Rd 1.86	1.74
Spain Pes 149.00	144.00
Sweden Kr 7.59	7.14
Switzerland Fr 4.36	4.14
US \$ 1.78	1.73
Yugoslavia Dnr 33.00	31.00



## Clydesdale Bank

# BASE RATE

Clydesdale Bank Limited  
announces that  
with effect from  
9th August, 1977,  
its Base Rate for lending is  
being reduced from 8 1/2%  
to 8% per annum

## Travel agents meeting Minister to put case for keeping closed shop

By Patricia Tisdall  
Representatives of Britain's 4,000 travel agents are to meet Mr John Fraser, Minister for Prices and Consumer Protection, today in an attempt to keep a restrictive practice which they say is vital to protect holidaymakers.

The delegation, led by Mrs Margaret Hook, president of the Association of British Travel Agents, will present their case for retaining a closed shop.

At present, the association's rules stipulate that inclusive holidays can be sold only through agents who are members. The rule is threatened by restrictive practices legislation recently extended to cover the

service trades.

Informal talks with the Office of Fair Trading and the Department of Prices have been taking place for more than a year. The association is reluctant to go to the Restrictive Practices Court because of cost and delay and is understood to be seeking a dispensation as a matter of urgency.

It fears that prolonged uncertainty about the outcome could lead to a weakening in discipline among members, which could be against the interest of consumers.

The "closed shop" rule, it says, is essential to the operation of the association's bonding system, which involves the regular scrutiny of accounts.

The bonds are used to repatriate holidaymakers and to give refunds or alternative holidays.

If the rule was abolished, some form of Government-backed licensing scheme would have to be set up to give the same level of protection as now exists on a voluntary basis. Apart from the cost, such a system would be slower to give redress than the industry itself can provide.

The existing Government-backed protection schemes operated through the Civil Aviation Authority apply only to inclusive holidays. ABTA's bonds cover other forms of holiday and methods of travel.

## Boilermakers urge production of pipelines

British Shipbuilders were urged yesterday to turn to the production of gas pipelines for the North Sea, where there was a potential £2,000m worth of orders.

An estimated 800-mile network will be needed for the gas fields there, says a report commissioned by the 140-strong Boilermakers' Society.

Diversification into pipelines, and building chemical plants for processing gas and oil could provide jobs for the shipbuilding industry's skilled workers. It is part of a package proposed by the union's advisers to rid it of its lame duck image.

The report comes at a time

when a "real crisis" is expected in the industry, with lay-offs expected in most yards early next year.

Only Wearside can look forward to full order books until mid-1979. Some yards will lay off technical and planning staff as early as the end of this year.

The report says "Labour unrest is bound to accompany the rundown of the work force, still further worsening the prospects of the new nationalised industry and intensifying political aspirations."

Mr John Chalmers, the society's general secretary and a moving force behind the 72-page report, describes it as a "Green Paper" to launch a debate on the industry's future.

## LETTERS TO THE EDITOR

### 'Direct interference channel'

From Professor J. Heath  
Sir, At first sight Mr Benn's solution for the organization of the electricity industry is close to the conventional and well tried holding company subsidiary company structure. A typical main board would be responsible for policy, financial control and major appointments, and the chairman of subsidiary boards (especially in a single product industry) would in effect be chief executives personally accountable to the main board. That could work also in electricity. The Government could appoint the main board and the main board could appoint the subsidiary boards (which could be registered companies not public corporations). In this way the subsidiary companies could be structured by the main board in ways which

meet the changing requirements of the business.

But if, as Mr Benn proposes, the Secretary of State is also to appoint the members of subsidiary (in his terms "local") boards essentially they would be accountable to him and not to the main board (in his terms the "central body"); and if the subsidiary boards also "enjoyed statutory authority" as proposed, the muddle and confusion is compounded. Under these conditions how would it be possible for the central body to "have responsibility for the industry as a whole"?

Furthermore by not revealing his proposal for the composition of the main board Mr Benn has implicitly rejected both the example of the sister organization in his Department, BNO, which has two civil servants on the board, and the wider NEDO

proposal. That proposal was designed to bring the Government (and employee representatives and consumers) direct into the formation of policy through membership of its main board, and to create separation between Government and executive management by establishing a separate executive board (appointed by an accountable to the main board). Unfortunately Mr Benn's proposals will provide that direct channel for interference with executive management which has so bedevilled Government in nationalized industries in the past.

Yours faithfully,  
JOHN HEATH,  
London Graduate School Business Studies, Sussex Place, Regent's Park, London, NW1 4SA.

## Union rivalry at British Shipbuilders

Industrial relations in the early days of the nationalized British Shipbuilders are being marked by an intense inter-union rivalry over the control of senior white-collar grades.

The Shipbuilding and Allied Industries Management Association (SAIMA) has sent a strongly worded circular to its members in defence of a recommendation from its national council that the union should amalgamate with the TUC-affiliated Engineers and Managers Association.

SAIMA members are to be balloted next month on whether the merger should go ahead. The Technical, Administrative and Supervisory Section (TASS) of the engineers' union says the EMA should not attempt to recruit in shipbuilding.

## BP Chemicals' £33m expansion

BP Chemicals yesterday unveiled plans for a £33m expansion of its plant at Barry, South Wales, representing the company's largest-ever investment in PVC production.

It will provide more Breon PVC production capacity and allow modification to existing plant.

The news came at the same time as assurances from the Chemical Industries Association that the United Kingdom industry's plans to invest more than £3,000m during the next three years on petrochemical and other plant should not be affected by any shortfall in North Sea oil output. This followed disclosure at the weekend that reserves in the Argyll field had been cut to two thirds of the original estimates.

BP Chemicals' PVC production will rise to about 250,000 tonnes per year.

### In brief

#### Orders for Booker in Somali sugar project

Booker McConnell has won contracts from the Somali Democratic Republic for its subsidiary, Booker Agriculture International, to develop and manage an irrigated sugar project. Fletcher and Stewart, another subsidiary, is to supply the sugar factory. The initial cost is estimated at £88m.

#### Doncaster company wins Selby contract

A contract has been awarded by the National Coal Board for driving the two main tunnels of

the Selby coalfield development which will eventually bring 10 million tons of coal a year to the surface.

The contract has been won by Cementation Mining of Doncaster, which is also the main contractor for the Selby coalfield's first pair of shafts at Wiswell. The total project will involve a further four pairs of shafts at strategic points across the 100 square miles of the proved coalfield.

#### Texaco N Sea find

Oil has been discovered by Texaco North Sea UK in an appraisal well on block 15 23, 125 miles north east of Aberdeen. The find was made by the rig Drilmaster in 396 feet of water, and the well flowed at a rate of 2,850 barrels a day through restricted chokes.

## Strike closes Cammell yard as holiday ends

By R. W. Shakespeare  
Cammell Laird's shipyard at Birkenhead failed to reopen yesterday after the two-week summer holiday and all work on five ships under construction is at a standstill.

The labour force of more than 4,000 workers—excluding office staff and some safety personnel—was laid off because of a continuing strike by 80 fitters belonging to the boilermakers' union, which started a week before the annual holiday.

The fitters are protesting over the sacking of four men who the management claims were missing from their jobs without permission on a number of occasions.

After their walkout the strikers picketed all the ships in the yard.

## Qualifying the picture of a conveyancing utopia

From Mr J. M. Fletcher  
Sir, It is with considerable reluctance that I feel compelled to comment on Mr Kenneth Brown's letter (July 27) on Scottish house purchase procedures. His letter paints a glorious picture of a conveyancing utopia which, unfortunately, requires qualification.

In the first place, it is unusual to hand over the full purchase price to the seller's solicitor "against receipt of a good title". It is true that in exchange for the seller's solicitor's undertaking to deliver within a specified period a validly executed deed in favour of the purchaser, the full purchase price is occasionally paid but such procedure cannot be recommended as, during the intervening period, the seller's solicitor may be unable to implement his undertaking, eg. due to the death or bankruptcy of the seller.

It is also accepted that normal practice permits entry to be given on payment of part of the purchase price, the balance being placed on deposit receipt in a bank in the joint names of the solicitors acting respectively for the seller and the purchaser to await completion of the full conveyancing formalities.

In any event, payment of the full purchase price may prejudice the purchaser if the seller cannot produce a good title or the title is riddled with securities. It cannot be expected that the seller's solicitor receives the purchase

price as agent for the purchaser unless that solicitor acts for both parties when different considerations will apply.

Secondly, I regret that the Scottish system does not entirely prevent gazumping. Scottish lawyers, unlike their English colleagues, are, of course, concerned in the negotiations prior to the completion of a contract and indeed enjoy an enviable reputation for trust and integrity in that regard. The opportunities for gazumping, while not entirely obliterated, are restricted, albeit that non-lawyers, who are not subjected to professional standards, may within certain limits deal in Scottish property. Naturally, no ethical control can be exercised over such persons.

Thirdly, most Scottish solicitors, unlike their English colleagues, charge on a scale basis for conveyancing work. This scale is approved by the Council of the Law Society of Scotland and generally operates to provide broad guidelines to the profession. It is, none the less, always open to a solicitor to charge on a time basis depending on the particular circumstances.

While I do not subscribe to Mr Brown's euphoric description of Scottish procedures, I do agree that it provides, broadly speaking, a fair degree of flexibility which benefits both seller and purchaser.

Yours faithfully,  
J. M. FLETCHER,  
50 Harley Street, London, W1.  
July 29.

## No Sunday post could be hitting exports

From Mr C. T. Percival  
Sir, In the recent correspondence in your columns concerning the savings from a removal of Sunday services, the one hand, with the other, which the customer is prepared to pay, on the other there is one important aspect which has not yet been mentioned at all, namely, the value of exports being lost as a result of the loss of Sunday services.

My own firm supplies written translation services overseas clients and rely mainly on the post as the appropriate method of communication. In March I undertook a sales trip abroad and would on at least six occasions that potential clients whom was visiting had ceased to work to "England" because the inefficiency and delays the postal service—one fact being the lack of Sunday's service, which had just been removed.

I was left in no doubt of our type of export service being directly affected. I value of exports lost in the way of, of course, unquantifiable but our own small experience could obviously be multiplied many times over, so that perhaps even to justify the cost of Sunday services as a hidden export subsidy and certainly least sufficient to be taken into account as one of the "cost of withdrawal."

I am, Sir,  
Yours faithfully,  
C. T. PERCIVAL,  
Managing Director, Flambard (European) Limited, "A" Floor, Millburn House, Newcastle upon Tyne, NE1 1JN July 28.

### Business appointments

#### Rugby Portland director

Mr A. C. Parsons has been appointed a director of Rugby Portland Cement.

Mr P. Thomson will be joining the Courtaulds group as director of marketing (planning and services) on October 1.

Mr Arnold Goldsborough, deputy managing director of Midland Industries, has additionally been made deputy chairman.

Mr Richard Burnham has been appointed a director of Bentonia Industries.

Mr A. C. Mackesy becomes director of shipbuilding British Shipbuilders and Mr R. W. Arnell becomes finance controller.

Mr Peter Strong has joined the board of W. & T. Avery.

Mr Donald Binney has been made a director and general manager of Hutchinson Benham.

Mr A. Simons, of Dr. Duckman and Mr R. Penkethman have joined the board of John Stephen of London. Mr D. A. L. Gear, Mr

P. A. Davis, Mr M. D. Sobell and Mr E. J. Baynam have resigned. Mr A. D. Harris has become managing director of F. H. Lloyd, succeeding Mr W. L. Beasley, who continues as a director of F. H. Lloyd Holdings.

The following appointments at IPC Business Press become effective from September 17: Mr Bryan Hope becomes chairman of Sales & Distribution Ltd and Mr John Eckerley joins the S & D board.

Mr Graeme Sheath becomes managing director of IPC Consumer Industries Press. Mr George Fowkes becomes chairman and managing director of IPC Industrial Press, in place of Mr Hope, who remains a director. Mr Fowkes is additionally appointed chairman of IPC Transport Press, while retaining his position of managing director.

Mr David L. Lang has been appointed vice-president of Citicorp International Bank.

## Newspapers in £400,000 contract

A computer-based typesetting system for The Scotsman Publications, publishers of The Scotsman and the Edinburgh Evening News, is being designed and implemented by the Software Sciences group.

The contract, believed to be worth about £400,000, covers typesetting for both newspapers. Software Sciences will be using the resources of its Computer subsidiary and of other elements in the group with experience of minicomputers, databases, high-integrity systems and project management.

Based on twin Data General Nova computers, each with 96,000 words of core store, the system, it is claimed, will be one of the largest of its kind in the United Kingdom.

Typesetting input will be via 30 typewritten video data terminals. Output will be direct to the photocomposing hardware, which has yet to be selected.

Both editorial and advertising copy will be produced via the computer system. Peak volumes which the system is designed to handle in a 24-hour period include two million characters of classified advertising, over 500,000 characters of display advertising, and three million characters of editorial copy.

The equivalent of a newspaper page will be processed

### Computer news

in about four minutes. Main aims of the system are to provide greater selectivity and variety in editorial content through an increased setting capacity and to give greater variety and control over advertising.

#### OECD data study

A study of the international flow of computerized information in Europe is being conducted for the Organization for Economic Cooperation and Development by Logica, London.

The growing volume of personal data being transmitted across national boundaries for processing and storage creates a need to ensure data protection, the OECD notes.

Issues of national interdependence also arise in cases where economically, technically or culturally important data are being processed abroad.

Some countries have already indicated a preference for special restrictions on sensitive data which are to be sent abroad, such as personal credit information.

The OECD study is being financed by six member-coun-

tries: France, Germany, the Netherlands, Norway, Spain and Sweden.

### New software concept

A simplified method of obtaining programs for particular accounting functions has been introduced by Olivetti. Known as OPAL (Olivetti Prepared Application Library), the concept involves the selection of required parts of a "management accounting processor" master program.

This is done by setting the appropriate parameters for the work in answer to "a series of questions set by the machine". The system is claimed to be cheaper than modular or packaged programs.

### Safe system

A computer-based fixed assets system developed by Safe Computing, Birmingham, is being implemented by Trident Television, owners of Yorkshire Television, Tyne Tees Television and Windsor Safari Park.

The system is being run on Trident's ICL 1901T computer to register over 100,000 assets, including the animals in the safari park. The register enables the company to produce figures in both historical and inflation-accounting terms.

Kenneth Owen



### Rate changes

NatWest announces that with effect from Tuesday, 9th August, 1977, its Base Rate is reduced from 8½% to 8% per annum.

Its Deposit Rate on all amounts lodged subject to seven days' notice of withdrawal remains unchanged at 4% per annum.

Savings Accounts will continue to attract interest at 4% per annum.

## Barclays Bank Base Rate

Barclays Bank Limited and Barclays Bank International Limited announce that with effect from the close of business on 9th August, 1977, their Base Rate will be decreased from 8½% to 8% per annum. The basic interest rate for deposits will remain the same at 4% per annum.

The new rate applies also to Barclays Bank Trust Company Limited



BARCLAYS

Reg. Office: 54 Lombard Street, EC3P 3AH Reg. No's 48599, 50086 and 106169

## Williams & Glyn's

announces that the following rates will apply from and including Tuesday 9th August

Base rate..... 8% p.a.  
Deposit rate..... 4% p.a.

WILLIAMS & GLYN'S BANK LTD

### CHARTER CONSOLIDATED LIMITED Recommended offer for M.K. Refrigeration Limited

It is announced that the offer to acquire the whole of the share capital of M.K. Refrigeration Limited (M.K.R.) made by Charter Consolidated Limited (Charter) on behalf of its wholly-owned subsidiary Charter Consolidated Investments Limited (CCI) in its Letter of Offer dated 15 July 1977 has been accepted by holders of approximately 26,796,000 ordinary shares (including 22,300,000 new ordinary shares arising from the capitalisation of profits) equivalent to 91.3 per cent of the issued ordinary share capital. The figures for acceptances include 1,051,727 shares (plus the relevant fractional shares) acquired before the offer period by a member of the Charter group which is not a subsidiary of CCI. The ordinary resolution proposed at the Extraordinary General Meeting of M.K.R. on 4 August 1977 to increase the authorised share capital and effect a capitalisation issue was duly passed, in accordance with the terms of the offer it has become unconditional and the offer will remain open until further notice. As sufficient acceptances of the offer for the ordinary shares have been received, CCI will, in due course, apply the provisions of section 283 of the Companies Act 1948 to acquire any outstanding ordinary shares not acquired under the offer.

No shares in M.K.R. were held by CCI or its subsidiaries before the offer period, and none were acquired or agreed to be acquired by CCI or its subsidiaries during the offer period, except in terms of the offer.

Cheques in payment of the consideration will be posted to those M.K.R. shareholders who have accepted (provided their acceptances are complete in all respects) on Friday 26 August 1977.

40 Holborn Viaduct, London, EC1P 1AJ  
5 August 1977  
E. G. Rudland  
Senior Assistant Secretary

## THE HONGKONG BANK GROUP BASE RATES

The Hongkong and Shanghai Banking Corporation and The British Bank of the Middle East

announce that with effect from Tuesday, 9th August, 1977, their interest rates will be decreased and the following will apply:  
Base rate... 8% p.a. Deposit rate... 4½% p.a.  
(formerly 8½%) (formerly 4½%)

The Hongkong and Shanghai Banking Corporation  
The British Bank of the Middle East

BY THE FINANCIAL EDITOR

## Keeping pace with the funding game

just like January again, or at least like January again. Interest rates falling and the market is eating up new stock as fast as the authorities issue it. What is different this time, is that the authorities have been keener to see stock absorbed, given underlying acceleration in monetary growth, and the fact that they probably rather greater respect for the strength of the forces.

uming the new long "tap" is well subd on Thursday, the authorities will up the August banking month having at least £1,500m (gross) of stock. For the first four months of the present financial year will lift gross sales (including close on £3,500m.

one must see against that the fact certain amount of existing stock has traded in against new issues, particularly against the latest short "tap", that authorities have probably been buying Treasury 11½ per cent, 1977, ahead of the redemption, and that part floating rate issues will have gone to the market.

so, the authorities must be feeling that at this stage in terms of net sales of debt to the non-bank private sector, the strength of the market is just how comfortable. A common estimate earlier in the year at the Government would have to round £5,000m of public sector debt, net of gilt issues of around £4,000m, to refinancing of just over £3,000m.

the apparent recovery in bank lending the inflows across the exchanges—these do not automatically increase money supply—most estimates of the public sector debt sales have been recently, with some brokers' estimates going up to £6,000m plus. Even on the basis, however, the authorities will up with the game. So, if it is not like last January, it is even less like it.

pointing though the news that the field's reserves are less than best is to investors in Associated Newspapers' 20p drop in the share price is more emotive than rational, already known that production from the field is less than the current demand, and the precise extent of the reserves has been in doubt with estimates at the currently expected 22 million and rising to hopes of 35 million.

ated itself is believed to have erred cautious side in making its own Between £5m and £7m of profits flow from production this year with flow continuing at least until 1980, the new well, which is being sold, prove successful, for some considerable longer. That, at any rate, is on the projections of current estimates. group's interests in the still unknown of the Bruce Crawford fields, one speculative flourish in the shares shorter-than-expected life of Argus, rates the mind on the problems of mining News and its heavy losses, which now seem to need solving with some urgency than might have been thought.

nothing for CU's shares, which ended the day unchanged at 138p.

But even if those profits fell at the lower range of market forecasts, they do, after all, represent a 125 per cent improvement on last year's interim total, and a 136 per cent increase if the £2m of pre-tax profits consolidated following the sale of its German and Austrian businesses are added back.

If the immediate earnings outlook is so good, why the market's disinterest? One answer may be the weight of insurance shares launched on to the market since CU started the rights issue ball rolling late in 1974. Around £400m of new shares have been absorbed since then, enough to take the edge from any prospective earnings fuelled share price ratings.



Sir Francis Sandilands, chairman of Commercial Union Assurance.

Insurers' caution in not forecasting dividends increases in line with higher earnings—an element noticeably missing from CU's half-year figures and a key reason for its shares sluggish response to the results—has dulled longer-term support for the sector.

Institutions, having taken on adequate weightings of insurance stock through the rights and acquisition issues, are now looking beyond 1978 to the period when United States loss elimination will no longer produce automatic earnings growth. Insurance shares have, therefore, missed the boat. This and next year's growth has already been discounted.

### Banks Feeling the profit squeeze

The only silver lining for clearing banks in yesterday's ½ per cent cut in base rates and the resulting narrowing of the margin over deposit rates by a similar amount to 4 per cent is that it could defuse suggestions that the Price Commission should widen its terms of reference from just bank charges to the whole question of the profitability of United Kingdom branch banking operations.

Otherwise, coming at a time when second-half profits of the clearers were coming under pressure in any case from the sharp drop in interest rates so far this year and a kick-up in operating costs, the reduction in the interest spread could not have come at a worse time.

That was reflected by the lacklustre performance of the bank sector yesterday in a generally buoyant equity market. Other things being equal the loss of the endowment benefit from the banks' current account money along with the narrowing of the interest spread could cost the big four clearers £40-£45m in aggregate in the second-half, with National Westminster and Barclays the hardest hit because of their higher proportion of current account business.

But of course other things are never equal. For one thing all the clearers now have important finance house subsidiaries which should benefit from the fall in interest rates. More important, however, will be the extent to which increased loan demand starts to materialise soon.

True, cuts in base rates have so far this year had little impact on advances. But the next set of banking figures should show some upturn in lending to industry although there is some reason to doubt at the moment whether this increase can be maintained.

For the moment, however, yesterday's Treasury Bill rate was signalling another fall in minimum lending rate this week. Any further cut in base rates would force the banks to trim their deposit rates. If that led to a sharp outflow of funds from the banks it really would upset the sensitive United Kingdom domestic banking side.

## Business Diary: New York, New York

ies, Business Diary's reports from Manhattan, based on falling into Kennedy Airport for a when the driver, established that I was asked how many were getting on. He explained, a sister of a local team, was carrying the in the boot of a car, layed (and lost) a rlier that day. He is as I found out, in his enthusiasm for which is now on the being very big sports in New York and the United States. a word with Jay who is the assistant of the chairman of the Warner Communications company that owns York team, The Cos-

Emmett told me, will be the likes of Robert Redford and Mick Jagger. Emmett, Ross and Ahmet and Nesuhi Ertegum, who are respectively chairman of Warner's Atlantic Records and of the group's international records division, began The Cosmos as an investment in 1971. The Ertegums, who were infatuated with soccer in their native Turkey, persuaded the other two that soccer would one day be a big-money business. Warner Communications bought out the Cosmos franchise for \$25,000 (about £14,000) in the same year, and Emmett, tells me, could sell it today for \$4m—even though the team has yet to make money. What Warner is waiting for is a television offer that, when it comes, will dwarf the \$8m that the group spent on buying its three star players alone.

So persistent are graffitiists that New York shopkeepers are now prohibited from selling canvases of paint to anybody under 18. Even so, young exponents of this art form come out of a night to clamber into the NYC transit authority repair shop on Manhattan's Upper East Side, there to spray the immobilized subway trains—often much improving them, say I.

the autumn saleroom season. This time the newcomer is Phillips which opens for business on September 6, in what is itself an antique by American standards, the old Rhineland mansion on Madison Avenue. Coincidentally, the Phillips office is also that formerly held by Christie's, who held their first sales in New York in the spring. Jeremy Shelbourne, a Phillips associate, is clearing the ground for the new operation ahead of the arrival later this month of the chairman, Christopher Weston, and later of the resident managing director, Brian Cole. Shelbourne tells me that collecting has begun for what would probably be a series of sales beginning in October at which Cole himself would preside. On Park Avenue, Christie's are busy preparing for a two-part sale of painting, furniture and porcelain from the estate of Eleanor Dorrance Ingersoll. Her money came from Campbell's soup, a can of which inspired a painting by Andy Warhol. Sotheby Parke-Bernet, who have been in New York since 1965, are kicking off their season with a sale of English clocks and furniture next month. Phillips, however, are not taking any chances. They are charging a commission of 10 per cent to seller only, Christie's 10 per cent to both buyer and seller, and Sotheby's between 12 and 25 per cent to the seller.

The Government's new pay policy, in operation since the first of this month, is simple enough in outline but presents acute problems for some employers, on whom has been placed the main responsibility for implementing and avoiding a wage explosion. This is particularly true of the local authorities, whose pay agreement covering a million manual workers, re-opens in November and could be the first big test of the new policy in a national agreement.

It is possible of course, that before then in an individual firm like Ford or by one of the big groups which have deferred Phase Two increases in the hope of getting more after August 1 or hoping to break the rule that there should be an interval of 12 months between settlements. Action by these groups may be delayed, however, because some are waiting to see if delegates to next month's Trades Union Congress endorse the view of their general council that both these things would be in breach of the Phase Two contract.

The local authorities will be in a particularly difficult position when they will be facing unions with a large propor-

tion of low-paid workers to accept a settlement resulting in earnings increases of not more than 10 per cent, as Mr Healey has asked, at a time when the rate of inflation is unlikely to have fallen far below the present level of 17 per cent and they have already suffered a reduction in their standard of living. Next week the task of negotiators, if the Government's hopes are fulfilled, will be somewhat eased by a fall in the inflation rate.

It is true that Mr Healey has tried to help the situation of the low paid by increasing child benefits and milk subsidies and making more children eligible for free school meals.

The TUC, for their part, have urged that unions making settlements should not do so on the basis of catching up what has been lost in the past two years, but rather look forward to what can be gained in the future in real living standards. Nevertheless it will not be easy for the local authorities.

Through the Local Authorities' Conditions of Service Advisory Board, they negotiated with a number of large blocks of employees at different times of the year.

They have agreements cover-

ing the 100,000 police reopening in September, more than a million general manual workers, 180,000 building operatives, 27,000 firemen and 10,000 engineering craftsmen in November, half a million teachers in April, 400,000 white-collar workers in July and many smaller groups.

The "general level" implies that some settlements may be higher than that and some lower but the Labour Government discarded the relativities body which could have advised as to which groups deserved higher than average settlements. Most union negotiators will no doubt be convinced that their members should have more than the average.

The local authorities, who have always done their utmost to observe pay policy targets, may be expected to try to make their settlements average out at about the level Mr Healey wants.

This would mean that if, for instance, a police settlement resulted in an increase of 15 per cent, there would be that much less available for others. If the manual workers exceeded 10 per cent, there might be little left for teachers in the spring and still less for white-collar workers in the summer.

The position somewhat resembles the "kitty" system, much talked about some months ago, under which employers would be no more than 10 per cent which, to allow for wage

drift, would mean settlements well within single figures.

Some of the employers have been wondering whether it would be possible to arrive at an overall pattern by discussions with the unions together, perhaps through the TUC Local Government Committee, on which practically all are represented.

So far the only important local authority group to submit its claim is that of the building workers, who are asking for 11½ per cent, far in excess of Mr Healey's 10 per cent, to restore their relative position with other building workers. The annual conference of the National Union of Public Employees voted for a 550 national minimum for manual workers which would mean an increase of £11.50 in addition to full consolidation of the £6 and 5 per cent incomes policy supplements and their representatives will presumably ask the other unions concerned to agree to claim this.

If the employers meet all the demands for restoration of relativities, removal of anomalies and consolidation of supplements, little if anything will be left for general increases under the Healey formula.

In the second of two articles Caroline Atkinson analyses South Africa's commercial links with the West

## Republic moving towards self-reliance

A build up of political tension in Southern Africa, the growing realization that American support for a white Rhodesian government is strictly limited, and increased demands—especially from the black Commonwealth—for an oil embargo on South Africa as the only way to dry up the Rhodesian supplies, have helped to focus attention on South African ties with the West.

South Africa is a trading nation: it typically exports between 25 and 30 per cent of gross domestic product and imports a similar proportion of total consumption. It ranks among the top 15 trading countries of the world, with its total trade last year (imports plus exports) valued at \$16,800m (about £9,700m).

South Africa's commercial ties with the West are by no means limited to its large foreign trade. It has long been a home for Western capital, invested mainly in the mining industry but also of great importance in assisting the development of manufacturing industries.

### Foreign stake

As well as this "direct" investment, foreigners have substantial stakes in the most important in the banking sector. Barclays National—a 64 per cent owned subsidiary of Barclays Bank International—is the largest bank in South Africa.

It has nearly two million customers whose deposits are worth over £1,600m. Over half of the top 100 industrial companies bank with Barclays National. Together with the Standard Bank (another British company, it controls over half of South Africa's total banking deposits).

It is not easy to measure the precise extent of foreign involvement in the South African economy. The foreign liabilities of the Republic totalled nearly \$15,000m at the end of 1974. Since then political unrest in Southern Africa has frightened many private investors. There have still, however, been net flows of overseas money for long-term investment measured in the balance of payments. These were worth \$1,280m last year.

South Africa is an integral part of the industrialized world's economic structure, and much investment comes via international banks or multinational companies with the source of the funds obscured. But it is still clear that

Britain has the largest foreign stake in the South African economy, over 80 per cent of which is directly invested in companies. This share has been falling in recent years as South African-owned enterprises have grown, and other Western nations have stepped up their investment.

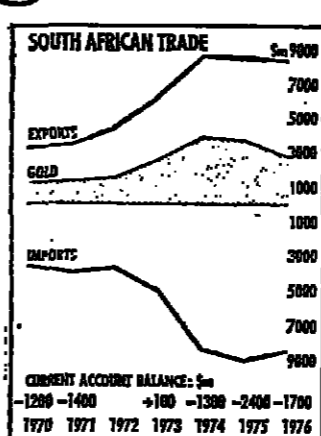
American capital in South Africa, often invested through United States owned subsidiaries outside the United States, has been estimated by the United Nations to be worth over \$2,000m at present.

There has also been a rapid expansion in the past decade of funds from Western Europe, especially from within the Community. Most of these have gone into banking and financial assets, rather than directly into industry. At the end of 1973 the EEC stake in South Africa amounted to nearly two-thirds of the Republic's total foreign liabilities. South Africa's dependence on foreign capital has made the economy vulnerable to foreign policy shifts for the safety of their money.

There was a sharp drop in the money coming in after Sharpeville in 1963, and another setback in the wake of the Soweto riots last year. Although it is not easy to get money out of South Africa, especially long term capital, there have been outflows of short-term capital.

Official policy is to develop a more self-reliant economy. This has an important bearing on South Africa's foreign trade. The Republic has traditionally run a trade deficit covered firstly by its sales of gold, and also by the surplus on capital account. Its gold reserves are expected to be revalued soon. This will have a huge and beneficial effect on the payments position, although it will not solve their trade problems.

South Africa's pattern of trade is one typical of developing countries: raw materials form the bulk of exports, with foreign exchange being used to



buy more sophisticated manufactured goods. The country's great mineral wealth and gold resources have kept its trade gap from yawning too widely. But it has been an ever-present constraint on growth.

As the table shows South Africa's chief trading partners are the industrialized Western economies. Britain has now slipped to third place in the league table of South African suppliers, but it is still by far the biggest market for South African goods. In 1976 South Africa was the thirteenth largest market for United Kingdom goods, and seventeenth most important supplier.

Mineral manufactures accounted for 38 per cent of South Africa's exports to Britain last year, at £137m. Rhinoceros are great consumers of South African fruit, another important foreign currency earner. Last year Britain bought £84m of fruit and vegetables from the Republic.

### Trade gap

Raw materials, other than fuel or agricultural products, accounted for nearly a quarter of Britain's purchases of South African goods other than gold.

Diamonds and other precious stones made up 12 per cent of South Africa's total exports (excluding gold) last year. Kruggerand gold coins brought in another 7 per cent of the total export earnings, base metals and other crude materials 16 per cent, and tobacco and food manufactures 10 per cent.

Gold is far and away the most important source of foreign exchange to South Africa. For many years it more than paid for the deficit on other trade, as illustrated in the chart.

By 1975, however, the \$3,500m revenue from gold sales was insufficient to cover the growing trade gap. Last year gold sales brought in \$2,700m, equal to about 48 per cent of the revenue from other exports.

Imports, including arms and oil, totalled \$3,500m leaving a trade gap of \$290m. A traditionally large deficit on invisible trade means that the current account was deeper in the red at \$1,740m.

The South Africans responded last year to their growing trade difficulties by

imposing a 15 per cent import deposit scheme in August. This was approved by the International Monetary Fund, and ran for six months. It has now been replaced by a 15 per cent surcharge on imports. The schemes have had some effect in slowing down import growth.

The principal imports into South Africa are machinery and electrical equipment (26 per cent of total imports in 1976), transport equipment (17 per cent) and oil.

Britain, for example, sold £353m of machinery and transport equipment to South Africa last year, or 56 per cent of its total exports to South Africa.

Chemicals also form a big part of the Republic's import bill, although their share fell from a third in 1974 to a quarter last year.

A United Nations ban on arms exports to South Africa has encouraged the development of a home based arms industry. But this, with the rest of the industrial sector, relies heavily on imported technology.

France has continued to supply arms (especially rockets and aircraft) directly to the Republic, in defiance of the

embargo. Britain officially recognizes the embargo but continues to supply some military equipment, although not weapons.

Trade with the rest of the continent is still much less important for South Africa than that with Europe, America or Japan. In the first five months of this year less than 10 per cent of South African exports went to other African countries, with imports from Africa making up only 6 per cent of total imports. The most important trading partner in Africa is, of course, Rhodesia. Exports and re-exports to Rhodesia have soared since UDI.

This connexion is now one of the most important threats to South Africa's other trading links. There is little doubt however, that the South African government is aware of the danger that an intransigent white Rhodesian government poses to its own economic future, bound as it is to the industrialized West.

The new administration in Washington is probably readier than the old to back change in Southern Africa.

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Next Tuesday, Washington.







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## Widespread gains

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[illegible]



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## A revenge killing of soldier on eve of royal tour

royal yacht Britannia steamed towards Lough yesterday to begin the Queen's visit, a British soldier was shot dead by an IRA member in Belfast in revenge for the death of a Catholic youth of 16, shot earlier by

a soldier of the same battalion. At the New University of Ulster, Coleraine, where the Queen is due to speak tomorrow, an IRA bomb exploded in the grounds. The university has been under strict security guard.

## Explosion at university Queen will visit

Incident evidently angered the several thousand troops and police on duty at the university. "An area of 300 acres is bound to leave a large amount of land uncovered," the police said. "It is not difficult to get over the perimeter net, but security rings become tighter as one approaches the central building."

It was not until after the explosion that the police decided that journalists should not be permitted on the site. The Times's reporter was allowed in to the university after security men had verified press credentials but was not allowed to enter the grounds until after the explosion and then escorted from the site.

The crack of the explosion had sent university staff running from "phase one" buildings on the campus, and an army helicopter was parked among the flowerbeds. Signs indicating university departments include one which says "Unlaid all weapons here".

Finishing touches were being put yesterday to decorations and shrubbery in the Diamond, a large hall not unlike a gymnasium with diamond-shaped windows. The Queen will be the university's guest at a luncheon in the hall.

Red-white-and-blue bunting eclipses the students' staple requisites of a laundrette and a bar.

It was feared in the province yesterday that the day's violence, which coincided with the sixtieth anniversary of the introduction of internment, would add more fuel to the anti-British marches and demonstrations the Provisionals are organizing throughout the province today.

with the Queen's visit, which starts today, the Provisional IRA was quick to intensify the propaganda campaign it has mounted during recent weeks. A statement issued on behalf of the organization's Belfast brigade said that one of its members had shot the soldier and that the week's violence had been the "direct responsibility" of the Queen.

The bomb at Coleraine called into question the security arrangements for the Queen's visit to the university. The 11b bomb, which exploded in the university grounds, was the second planted there in two weeks, although the first did not explode.

It had been buried under stones near the boundary fence, close to the university's "phase one" buildings but about 200 yards from the central "phase two" complex from where the Queen will address the people of the province.

Security forces said the bomb may have had a timing device and been planted several days ago.

No one was injured in the explosion and a senior police officer dismissed it as having only "nuisance value", but the

of the 3rd Light Infantry was shot dead in Belfast in revenge for the death of a Catholic youth of 16, shot earlier by a soldier of the same battalion. At the New University of Ulster, Coleraine, where the Queen is due to speak tomorrow, an IRA bomb exploded in the grounds. The university has been under strict security guard.

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Mr Vance is met by Mr Dayan at Ben Gurion airport, Tel Aviv.

## Israel still refuses to accept PLO participation in peace talks

From Moshe Brilliant Tel Aviv, Aug 9

The expected confrontation between the United States and Israel over Palestinian Liberation Organization participation in Middle East peace talks did not materialize in the first day of meetings between Mr Vance, the Secretary of State, and Israeli leaders, according to Mr Dayan, the Foreign Minister.

Speaking at a press conference in Jerusalem this evening, Mr Dayan declined to discuss details of the meetings but he said Israel had not been asked to agree to include the PLO in peace talks. Israel claims the right to veto invitations to any state, group, or organization that was not an original participant in the Geneva talks and Mr Begin, the Prime Minister, said yesterday

that Israel will invoke that right.

Mr Dayan said tonight that even if the PLO accepts without reservations the United Nations Security Council's resolution 242, which recognizes Israel's right to exist, Israel will not consider it as a partner for negotiations.

He said the Geneva peace conference was between governments; "We see no reason to negotiate with any party which is not a state and especially with the PLO, whose objective is to destroy Israel."

A confrontation had been expected today because President Carter and Mr Vance indicated yesterday that the PLO's acceptance of resolution 242, even with some reservations, might qualify the PLO for participation in Geneva.

Mr Dayan said tonight that Israel still stood by its basic principles after the first day's series of meetings.

He described these as: opposition to a Palestinian Liberation Organization participation in peace talks in any form; refusal to negotiate with a united Arab delegation but with each country separately with a view to completing a separate peace treaty; final peace treaties, not interim agreements; refusal to withdraw to the 1967 borders and rejection of a Palestinian state in any form; readiness to withdraw from Sinai in a peace treaty; no "foreign" rule over the West Bank of Jordan or the Gaza Strip.

Mr Vance said that he was seeking "ways to accelerate the progress toward the start of

## ICI backs Commons ambition in its staff

By a Staff Reporter

A leading British industrial company has launched a scheme that it hopes will encourage more people with experience of industry to enter the House of Commons.

ICI, the chemical company, says that out of 635 MPs only 52 have had any managerial or executive experience. Although 12 of those, including Mr Dell, Secretary for Trade, are former ICI employees, the number of industrial managers and executives in the Commons is only about half that of lawyers or teachers including lecturers.

The company plans to give any parliamentary candidate in its employ time off for a campaign. If elected, the employee will have to resign from the company, but will be guaranteed his job back later provided he is at least five years of pensionable service.

The job would be available for up to 10 years after the MP left the company, and if he returned the time spent at Westminster would be counted towards a company pension.

Last night, Mr Richard Dixon, director of information for the Confederation of British Industry, said he welcomed the plan. He said many companies refused to allow their employees to stand, or asked them to resign when they started campaigning.

"There are so few MPs in any party with any experience of working in industry," he said. "The union-sponsored ones are increasingly journalists or teachers."

"We would support any scheme that would improve the industrial experience of parliamentary candidates and reduce some of the hardship of standing."

Mr Maurice Hodgson, a deputy director of ICI, said the former ICI employees could be of any party and would not be expected to give any favours to a former employer. "We believe there is a general lack of knowledge and experience of industry, especially industrial management, among MPs," he said.

An ICI representative said last night that the new arrangement "would apply right across the company. It does not matter who they are or where they are working, the scheme will apply from the top to the bottom."

"People are free to stand for whichever party they choose; even those on the far right or the far left."

## Government may cut support grant

By the workings of the support grant system.

In preliminary analyses this year the Government is believed to have considered several options for the level of the support grant, all of them below the present level of 61 per cent. Now seems the time when Whitehall is swinging behind a figure of 59 per cent or slightly more, 60 per cent being the top limit.

There will have to be further intense discussions over the coming months before it is possible to work out from the global figure what the impact will be on individual authorities, or ratepayers. That is because the key factor is how the Department of the Environment chooses to share out the total grant.

The overall sum is, broadly speaking, split up into a resources element and a needs element. The resources element is used to help local authorities in areas where the total rateable value a head of the population is below the national average. The needs element is shared out on the basis of an extremely complex formula which aims to give most money to authorities facing the biggest difficulties. Since the present government came into power the grant has tended to be distributed in favour of the big cities.

## Mr Fraser intervenes in immigrants dispute

Canberra, Aug 9.—Mr Fraser, the Australian Prime Minister, today tried to clear the air over a Cabinet colleague's charges that some British immigrants were to blame for industrial unrest in Australia.

But Ian Sinclair, the Primary Industries Minister, who made the allegations, refused to back down. Instead, he repeated his statement that British-born shop stewards were disrupting industry and causing a loss of jobs.

Mr Fraser was in Kuala Lumpur meeting leaders of the Association of South-East Asian Nations (Asean) when the remarks were made. Mr Sinclair's remarks about the "British disease".

Today Mr Fraser said in Canberra: "I believe that a very large number of very worthwhile migrants have come to Australia from a very large number of countries, obviously including the United Kingdom. I think we have some home-grown and some imported people who sometimes seem not to fit into the general pattern of Australian life."

Mr Sinclair, deputy leader of the National Country Party which forms the governing coalition with the Liberals, admitted that he had been surprised by the furor.

## \$3m draws Fischer back to chess

The Hague, Aug 9.—Viktor Korchnoi, the emigre Russian grandmaster, was quoted today as saying that a West German businessman was ready to put up \$3m (£1.75m) to finance a match between him and Bobby Fischer, the American former world champion.

Korchnoi said the Amsterdam newspaper De Telegraaf that he was already in contact with Fischer and would go to the United States next month to talk about the match, which might take place next February.

The Russian, who now lives in Holland, has to play either Lajos Polisch of Hungary or the Russian Boris Spassky in the final candidates' match to pick a challenger to Anatoly Karpov, the Soviet world champion.

Korchnoi said he would soon be leaving Holland for West Germany, to work for his new sponsor, Wilfried Hilgert, in the Cologne suburb of Porz.

"Hilgert wants to build a big chess club with a hotel, for tennis, billiards, table tennis, chess and so on. I shall be a chess trainer there. Hilgert wants to make Porz a chess capital."

He said Herr Hilgert was ready to meet Fischer's demand for \$3m to return from his self-imposed chess exile and play Korchnoi.—Reuter.

## £1,000 Test bonus for non-Packer players

By Michael Horsnell

English Test cricketers who have not signed for the Packer "circus" will each receive an extra £1,000 for the fourth Test against Australia at Headingley from a consortium of three businessmen. That was announced yesterday by Mr David Evans, the London cleaning contractor.

The consortium will also underwrite a similar offer to the team chosen for the fifth Test but it hopes other businessmen will contribute.

A cheque for £9,000 will be given to Mike Brearley, the England captain, to distribute to the nine men, including the twelfth man, in the England squad who have not signed for Mr Packer.

Mr Evans, who organized the scheme but is not contributing to the £9,000, added that plans are now being made to continue the offer for Test matches in England next summer.

Meanwhile he is hoping to attract sponsors to a more adventurous £50,000 scheme next season. Under it a pool of 25 top players would be drawn up by the Test and County Cricket Board. For promising

## Paris police free banker from kidnapping gang

Paris, Aug 9.—Police said today they had rescued a French banker, M. Bernard Mallet, aged 50, several hours after he was abducted while walking his dog in the Bois de Boulogne in Paris.

Seven men, three of them suspected of having taken part in the kidnapping of M. Guy Thodoroff last year, were arrested in a house in the Plessis-Robinson suburb, where M Mallet was being held. There was a fierce scuffle, the police said, but no shots were fired.

M Thodoroff, a businessman, was released after his family paid a ransom.—Reuter.

## Twicken mailmen out again

It of about 20 postmen at sorting office, north London, in a dispute about clearing the backlog left three weeks when postmen died for "blacking" their shoes. They have also complained they call unfair pressure union headquarters to dining Grunwick mail. Mr their union leader, rejects at

## Dispute over Tory crime statistics

Supporting the charge by Mr Whitelaw that Britain's one booming industry under Labour is crime, the Conservative Central Office has cited annual statistics. But the matter is complicated by changes in recording statistics

## Lucas strike halts Marina production

Leyland car production has been hit by the six-week-old strike by Lucas toolmakers. Shortages of electrical components halted work on the Marina at Cowley and 2,400 workers were laid off. Leyland issued a warning that layoffs would follow at other factories

## Rebuke for 'Punch'

The Press Council describes as "unpleasant" and "pretentious" a series of articles in Punch purporting to be the private jottings of President Carter's mother. But the council rejects a complaint that the articles, written by Alan Coren, were unethical and scurrilous

## Ancient statue found in Italy

Rome, Aug 9.—A 1,800-year-old marble statue of the Greek god Apollo has been uncovered during archaeological excavations near Bracciano, north of Rome, officials said today.

The statue, which is about six feet high and has part of one leg missing, is a copy of the famous "Apollo Belvedere" that was made from a Greek bronze original from the 4th century BC and now in the Vatican Museum.—Reuter and AP.

## Squatters evicted

Brookdorf, Aug 9.—West German police cleared about 50 squatters from a nuclear power station site here today. There were no serious incidents, a police spokesman said.

## HOME NEWS

## Postmen in Grunwick dispute walk out over 'backlog' pay

By Robert Parker

The late shift of about twenty postmen walked out of the Crickwood sorting office in north London yesterday. The dispute concerned overtime payments for clearing the backlog of mail built up in the three weeks postmen were suspended for "blacking" Grunwick mail.

The men walked out at 4.45 pm, more than three hours before they were due to leave work. But they expect to return today.

Earlier yesterday the Crickwood branch of the Union of Post Office Workers decided to send a letter of censure to headquarters about Mr Norman Stagg, the union's assistant general secretary. But their criticisms were strongly rejected later in a statement from Mr Tom Jackson, the general secretary.

The Crickwood men returned to work after their suspension 10 days ago but the return has been a troubled one. They feel that there was unfair pressure on them from headquarters to go back and that their management was trying to get them to give preferential treatment to Grunwick mail.

The complaints have been rejected, but when the postmen returned yesterday morning the strongly criticized Mr Stagg for allegedly acting more like an employer than a representative of their interests.

## Fleet Street journalists may defy pay guidelines

By Our Labour Reporter

In an apparent defiance of TUC and government guidelines, Fleet Street leaders of the National Union of Journalists and the non-affiliated Institute of Journalists are formulating pay claims that would, if conceded, sink the Chancellor's hopes of limiting rises to 10 per cent.

The journalists, in order to secure substantial increases, have decided to forgo their phase-two pay settlements, due last month, and proceed in some cases with claims of almost 45 per cent.

According to the TUC it is a breach of the phase two policy for negotiators to defer settlements due before July 31 in the hope of "securing an advantage over other groups of trade unionists".

The TUC economic committee will make a determined effort to ensure adherence to that principle today, when it will ask leaders of the Merchant Navy and Airline Officers' Association to explain their decision to waive their phase two settlements and go instead for a 17 per cent pay rise.

When it meets in September the Trades Union Congress will attempt to guarantee to the Government a strict adherence to the 12-month rule between big pay settlements as its contribution to an orderly return to free collective bargaining.

In its latest important statement on pay policy the economic committee said that "to reopen within the 12-month period settlements made under that (phase two) policy would be a breach of the policy and unfair to other groups loyal to the congress decision".

## Notting Hill gets £2,000 grant for its carnival

A grant of £2,000 towards the Notting Hill Carnival during the August Bank Holiday weekend is to be made by the Greater London Council despite the incidents at last year's carnival.

Mr Bernard Brook-Partridge, chairman of the GLC Arts Committee, has approved grants of £1,000 each to the Notting Hill Carnival Development Committee and Notting Hill Carnival Arts Committee.

"Let us hope that by giving positive help to the carnival organisers to administer and steward this colourful Caribbean event the whole occasion will be a great success and dispel the cloud which overshadowed last year's carnival," he said yesterday.

Pickers representing some of the organisers of the carnival demonstrated outside the Notting Hill Amenity Trust yesterday.

Members of the Carnival and Arts Committee were protesting against the trust's refusal to allow them to use Acklam Hall during the carnival and to fence off the arches of the Westway extension of the A40.

## 'Daily Express' editor to leave

Mr Roy Wright, editor of the Daily Express, will leave Beaverbrook Newspapers when he is succeeded by Mr Derek Jameson next month.

Mr Victor Matthews, chairman of Beaverbrook, "was keen for me to remain in a senior position, but I decided that the best thing was to make a clean break".

Coloured buyers are being offered a £2,000 discount on a house as a protest by the owner against the Race Relations Act.

Mr Alan Barton, of Bewdley, Worcestershire, has a sign outside his home reading: "£10,000 whites, £8,000 others." Mr Barton said: "The Race Relations Act is stupid."

## Cemetery for pets 'would help to meet a need'

By Robin Young

There is a demand for pet cemeteries, a public inquiry at Ormskirk, Lancashire was told yesterday. There are only two in the country and one of them, at Rossendale in north-east Lancashire, has been used to bury cats and dogs from as far south as Oxford.

In the United States, by contrast, there are nearly five hundred cemeteries in which animals can be laid to rest, and a National Association of Pet Cemeteries strives to maintain standards and a respectful image.

In Britain the shortage has been felt for some time. Three years ago a former gunsmith at Stannmore, Greater London, had an unexpected success when he started in business as a pet's undertaker. He was called on to create 50 cats and dogs in his first three months and quickly invested in a £5,000 cremator to enable him to cope with the volume of business.

Yesterday Mr David Scarisbrick sought to do his bit towards meeting the need. He was appealing against West Lancashire District Council's refusal to give trustees of the Scarisbrick estate planning permission for a pet's cemetery at Station Road, Banks, West Southport.

The proposed site is five acres of rough pasture now used for grazing ponies. If it became a cemetery, Mr Scarisbrick said, it would be laid out like a park with trees and shrubs and headstones chosen to blend with the surrounding landscape.

The prospect does not please the villagers of Banks. The inquiry heard that 670 of them had signed a protest petition against what their parish council had called a "highly commercial and distasteful project".

Questioned by Mr Conway Stow, the ministry inspector, Mr Scarisbrick agreed that there would be a limit to the size of deceased pets accepted for interment—"no elephants or whatsoever." "One assumes," he said, "one will get little else than people's cats, dogs and canaries."

In reply to Mr Geoffrey Parker, deputy director of administration for West Lancashire council, Mr Scarisbrick said that clergymen could be found to conduct burial services if the pet's owners asked for such ceremonies.

Mr Parker said clergymen in west Lancashire had written to his council objecting that they could not countenance the extension of Christian burial to animals. Mr Scarisbrick said: "They are held in Italy and approved by the Catholic Church there. It is a theological argument. I am sure you are aware that in places like India they worship cows."

The council had refused planning permission because of the site's potential as agricultural land, but Mr Robert McAllister, a chartered surveyor called by the estate, described the site as a geological misfit.

Local farmers were not interested in cultivating the site. Meanwhile, assistants on duty at the Rossendale Pets Memorial Gardens said the cemetery was very busy. The number of pets buried in their grounds is "about 500", including a couple of budgies, a horse, and a cow called Florence.

Mr Campbell, of Franklin Road, Brighton, was charged with a purpose prejudicial to the safety or interests of the state, collecting information concerning defence communications that might, directly or indirectly, be useful to an enemy.

Like the other charges in the case, it was brought under the Official Secrets Act, 1911. Reporting restrictions were lifted at an earlier hearing of the case.

The case was adjourned until November 7, when a hearing lasting between five and 10 days was expected. Bail for all three defendants was continued.

A former Intelligence Corps corporal, John Ashley Berry, aged 32, now a van driver at Alexandra Park Road, Wood Green, London, had the two charges against him altered to omit reference to the other journalist, John Nicholas Crispin Aubrey.

Mr Berry is now charged with, for purpose prejudicial to the safety and interests of the state giving Mr Campbell information that might be directly or indirectly useful to an enemy and giving Mr Campbell information that might be directly or indirectly useful to an enemy.

Mr Aubrey, aged 31, of De Beauvoir Road, Hackney, London, is charged with aiding and abetting Mr Campbell to commit both alleged offences.

The magistrates renewed bail.

## Rejection of nuclear plan 'might mean power cuts'

From a Special Correspondent

Whitehaven. If British Nuclear Fuels was not granted planning permission for its proposed oxide reprocessing plant at Windscale, Cumbria, the result might be extensive power cuts, it was stated at the Windscale inquiry yesterday.

Dr John Wright, of the Central Electricity Generating Board, said that if the oxide plant was not built and spent oxide fuel from British power stations was returned to Windscale for storage for an indefinite period it was conceivable that after ten years the oxide fuel would undergo sudden deterioration, giving rise to active activity and handling difficulties.

"Under those circumstances," Dr Wright said, "BNF might well be unwilling to accept any more fuel from the oxide fuelled power stations than in existence, and that might entail shutting down the AGR (advanced gas reactor) power station for some 10 years until a plant could be built."

It is expected that during the next two or three years four new AGR stations will become fully operational and when the present programme is complete about a fifth of the Board's electricity will be generated by nuclear power.

## Crime booms whatever party is in power

By Peter Evans

Home Affairs Correspondent

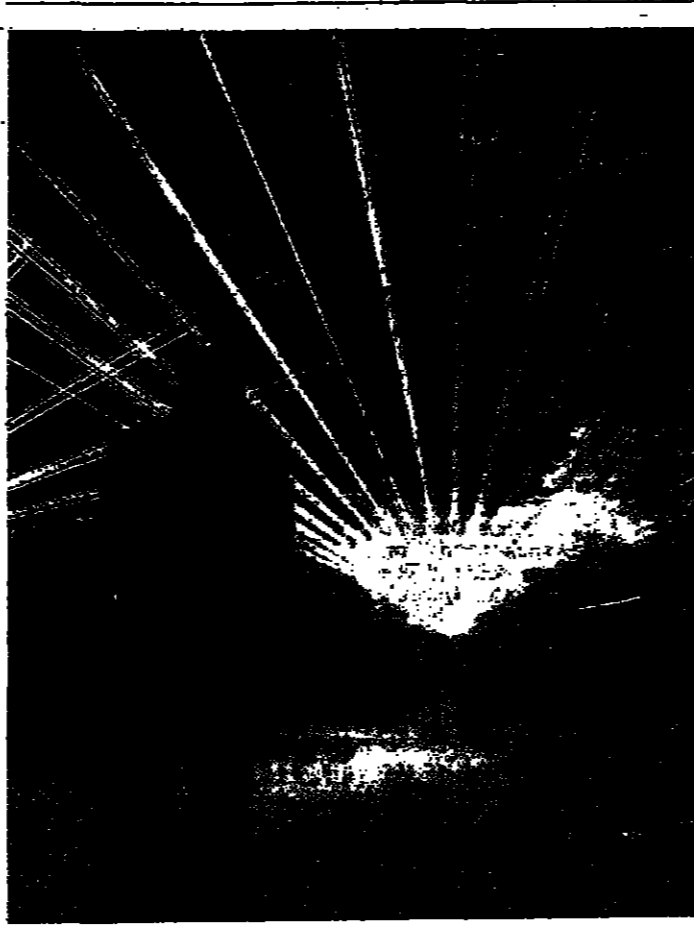
The Conservative Central Office yesterday cited the annual crime statistics in support of the charge made by Mr William Whitelaw, the party's deputy leader and spokesman on home affairs, that Britain's one booming industry under Labour was crime.

The Conservatives were in office between 1970 and February, 1974. If there is indeed a direct relationship between the type of government in power and the crime rate, 1975 was the Conservative's finest hour in the field of law and order.

Figures of offences known to the public in England and Wales rose from 1,568,375 in 1970 to 1,690,219 in 1975, but then dropped to 1,657,569 in 1974. Labour came to power and the upward trend resumed sharply to 1,963,360.

In 1975 the total reached 2,105,631. But any hopes of a crime-free society, the previously law-abiding as well as the previously criminal, New forms of crime are emerging and old forms are assuming new dimensions.

The incidence appears to be going up in all parts of the world, whatever the stage of development. The crime rate is a barometer of society, the previously law-abiding as well as the previously criminal, New forms of crime are emerging and old forms are assuming new dimensions.



Light fantastic: Final preparations in progress yesterday at the New London Theatre, Drury Lane, for Laser Light Circus, an exhibition of laser beams and holograms, which opens today.

## Extra charge made against Mr Campbell

An extra charge under the Official Secrets Act, of collecting information about defence communications, was made against Duncan Campbell, aged 24, a journalist who appeared before the Magistrates' Court, London, yesterday with a colleague and a former soldier.

Mr Campbell, of Franklin Road, Brighton, was charged with a purpose prejudicial to the safety or interests of the state, collecting information concerning defence communications that might, directly or indirectly, be useful to an enemy.

Like the other charges in the case, it was brought under the Official Secrets Act, 1911. Reporting restrictions were lifted at an earlier hearing of the case.

The case was adjourned until November 7, when a hearing lasting between five and 10 days was expected. Bail for all three defendants was continued.

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## Economy plan to close hospital wards opposed

By a Staff Reporter

A plan to close temporarily two wards at Southend Hospital on September 1 because of money difficulties is being opposed by the Southend District Community Health Council.

Essex Area Health Authority say that one of five surgical wards and one of two children's wards will be closed because Southend's health district overruns its budget at the end of last year and are still overspending. Overspending always had to be carried over as a handicap into the following year. Another difficulty was that Essex was underfunded by £20m but if the authority could get more cash from the Government for the next financial year, as they hoped to, they would be able to reopen the wards on April 1. Another £500,000 should suffice.

However, Mrs Molly Hart, secretary of the health council, said yesterday that local people were "upset" and 16,000 signatures had been collected for a petition of protest.

Whale washed ashore. A 33ft whale weighing 10 tons, washed up at Beacham, Norfolk, was buried on the beach by council workers yesterday.

It is supposed that, when the Conservatives were in power in the first half of the 1950s, it looked as if the rise in crime would be stopped by peace and plenty, a hope long since dashed. Then, there was a sharp drop in the crime rate. But as the curve of crime began to rise again, the Conservatives were in power, crime in England and Wales was rising faster than in the Continent.

But then Labour came to power and in the four years that followed the crime rate in England and Wales rose by only about half the amount recorded in Germany, Austria, Denmark and The Netherlands. And only a quarter that of France.

It is only under the present Labour Government that the number of people in prison, which is still thought of as a deterrent, reached a record of 42,000. The Children and Young Persons Act, 1968, did of course, change the basis on which juveniles were treated, but there were those who said it would work only if the intentions enshrined in it were carried out properly, and with adequate resources.

Now Mr Whitelaw promises that Conservatives would operate a glasshouse system of detention centres for some young delinquents. So that they receive a sharp shock treatment which I hope will deter at least some of them from getting entangled deeper into the mire of crime.

The problem is that any consideration of crime figures is complicated by changes in the way they are recorded. The Theft Act, 1968, made some non-indictable offences indictable, and changes in the recording of criminal damage added 12,000 indictable offences immediately.

Only a proportion of crime comes to light anyway. There is one school of thought that believes that part, at least, of the rise in crime figures is due to better recording practice.

## Council to take court action on Front march

By Staff Reporters

Two moves were made yesterday to stop the planned march of the National Front through Lewisham, south London, on Saturday. One of the moves, if successful, would also stop the march planned by the Socialist Workers' Party.

Mr Robert Joy, Lewisham Borough Council's solicitor, is to apply in the High Court tomorrow for leave to bring an action against Mr David McNeen, Commissioner of the Metropolitan Police, requiring him to ask the Home Secretary to ban the march.

A statement by the council last night said that the papers were served on Mr McNeen. Scotland Yard said last night that Mr McNeen would not ask the Home Secretary to ban the marches.

Mr McNeen said: "The public can be assured that adequate measures can be taken by my officers to preserve the peace, and any breach of the law by any person involved will be firmly dealt with."

The second wave consisted of a deputation of Labour councillors from the borough to the Home Office.

The deputation, headed by the mayor, Mr Roger Goddard, and the deputy leader of the council, Mr Ronald Pepper, went to the Home Office and handed to an official a resolution asking for a ban on the march because of expected incitement to racial hatred and discrimination, and the danger to the people of Lewisham it would cause.

The motion was carried at a council meeting on Monday night and Mr Goddard said yesterday that the deputation was waiting for a response from Mr Rees, Home Secretary.

Mr Goddard said it was all very well for the commissioner to feel that he did not wish to be seen as judge and jury by banning the march and to say such statements were not his own. The Home Secretary could not call for a ban unless he received a recommendation from Mr McNeen, "so the merry-go-round goes on and Saturday gets closer all the time."

Mr Pepper said of Mr McNeen: "He should know that community tensions were rising in London are not the cause as in Glasgow, and the situation likely to arise is not the same sort of thing as sorting out a punch-up between Celtic and Rangers supporters." (Mr McNeen was formerly Chief Constable of Strathclyde.)

Leading article, page 15

## Ocean sediments as source of energy

By Clive Cookson

Sediments covering large areas of the ocean floor to a depth of hundreds of feet have been overlooked as an option in the energy debate, according to a Bristol physicist who has just filed a patent for extraction of organic fuels from the sea bed.

Mr Claude de Turville, French-born research officer at the Central Electricity Generating Board's Portsmouth laboratory, says his extraction process could produce fuel superior to coal for £20 a ton "but the most important special aspect of my proposal is simply to stress the resource potential of this resource."

He says that fluid marine sediments, known as ooze and muds, cover much of the ocean floor at an average depth of 400 metres. They contain between 0.5 and 15 per cent of organic material, derived from dead organisms, that would turn into oil after millions of years.

Sheltered gulfs and seas and the estuaries of large rivers contain the richest deposits. The Black Sea, Gulf of Mexico and South China Sea look promising. But Mr de Turville estimates that even the seas around Britain contain at least a million million tons of suitable sediments, which could yield enough methane gas "to keep British Gas going for several generations."

His extraction process involves separation of the organic material from the rest of the sediment as a suspension in petroleum ether. The ether is removed by distillation and recycled, leaving the organic particles.

The particles could be decomposed by strong heating to yield methane gas, or converted to animal feedstuffs or fertilizers as they contain a high proportion of carbohydrates and proteins.

A pilot plant could be operating within two years if the idea is taken up commercially, Mr de Turville says, because no advanced new technology is required.

The world will be able to consume only a small fraction of these marine energy reserves, but Mr de Turville believes his scheme may be the best way of closing the energy gap in the medium term, until sufficiently reliable alternative energy sources have been developed.

Children are to commute to school next term on board a famous tourist attraction, the miniature Romney, Hythe and Dymchurch steam railway, in Kent.

More than two hundred children will board the train on September 7, the day when Kent County Council replaces its present school buses with a daily five-mile railway journey between Romney Marsh and Dymchurch to Southlands Primary School, New Romney.

Theatre to reopen. The University Theatre at Newcastle upon Tyne, where 50 actors have been sitting in for 18 days in protest against its closure, is to reopen on Saturday. Actors and musicians will join charge a fee for performances, which will be held six nights a week. The theatre made an operating loss of more than £100,000 last year.

Press-dispute talks. Journalists' union officials meet representatives of Westminster Press in London today for talks initiated by the Advisory, Conciliation and Arbitration Service in an attempt to settle the closed-shop dispute at North of England Newspapers, Darlington.

Squatters to go. Twelve women and 21 children are to be evicted tomorrow by the orders of the borough council at Guildford, Surrey, from a refuge for battered wives. The women have been squatting in the house in Guildford town centre.

England's golden eagle. The only golden eagle reared in England this year has flown from its eyrie on a crane in the Lake District, the Royal Society for the Protection of Birds said yesterday.

Whale washed ashore. A 33ft whale weighing 10 tons, washed up at Beacham, Norfolk, was buried on the beach by council workers yesterday.

## Dearer fares: cut Long commute

By Ian Bradley

A further sharp rise in fares might have a serious effect on the economy of London by reducing its popularity and increasing its attractiveness.

That is the main of a study on rail fares to central London published yesterday by the London Regional Planning.

The study estimates that London's dependence on workers from outside London, practically all travel by British

travel is steadily increasing over the years as the pressure on the city mutters from the Home now form a quarter a workforce and a proportion of its unskilled workers.

In considering the effects of further significant rises in rail fares, notes two main concerns. It is the lower face the most difficult they tend to be concentrated areas, particularly Essex and north Kent offer fewer alternative employment opportunities outside commuter areas.

The second cause is that, as the recession ends, higher will add to the pressures on London belt and other areas to London where it is undesirable. Press come from workers to London to earn wages that are still a but unwilling to move because of the cost.

The study speculates whether the long pay has seen central workers taking advantage of rail services to commuting far out is long to those still in but unwilling to move because of the cost.

Of the morning pe arrivals in central London rose in 1975, day were on inner services, 155,000 on suburban services, and long-distance inter-city. Of the arrival cent travelled as the region, 30 per cent Eastern region, 11 per cent the Midlands region, 10 per cent on the West of England, 10 per cent on the South (Standing Conference & South East Region, 26 Old Queen Street, SW1H 9EP, 93p).

Real prices and real wages, 1964-1976

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## EST EUROPE

## rail of damage after nuclear protest leads to French strike

In an Murray Aug 9 workers in France have been ordered to strike for an hour on Thursday in protest at the amount of damage to the railway system caused by the anti-nuclear protest.

The strike was called by the CGT union, which has been demanding a referendum on the construction of nuclear power stations. The strike was called in protest at the damage to the railway system caused by the anti-nuclear protest.

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Communist Party, shaping up to each other like a pair of prize fighters.

They have been exchanging blows in the form of press and television interviews since Mr Marchais returned from holiday last week. But they seem to be shadow boxing, the blows failing to strike home because the questions the one throws at the other remain largely unanswered.

Tomorrow M Marchais is due to be interviewed again, but already his article in this morning's edition of the communist L'Humanité is being regarded as an olive branch, albeit a rather battered one, being held out to the Socialist side.

He strongly attacks M Mitterrand's idea of a referendum but at the same time says: "Everybody knows that our objective is the victory of the popular movement next March (in the legislative elections). We want to win. We want our country to benefit tomorrow from a democratic government including Communist ministers."

On defence, he says, there is a "general basis for agreement" yet he agrees that the two parties do not see eye to eye on the subject. At the centre of the argument is the Communist Party's insistence that France needs to keep her own independent nuclear weapon, while M Mitterrand sees this policy as "contradictory".

Communists do not approve of an anti-city strategy, with French nuclear missiles aimed at the big cities of adversaries, on the ground that this is "barbarous". In M Mitterrand's view this is tantamount to saying that the atomic bomb should not be used.

M Yvon Bourges, the Defence Minister, attacked both parties in an interview today. He agreed with Mr Marchais's criticisms of M Mitterrand, but added that the Communist Party did not really seem to accept a nuclear policy because it was not prepared to go the whole way in the use of a nuclear deterrent.

Mr Eric Hirschmann, the secretary-general of the Federation of Social Democrats, said that communism and socialism were incompatible and that the two represented the boundary line of unity beyond which M Mitterrand could not go. It proved the need for a social democratic alliance without the Communist Party.

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Mr Mulley, the Defence Secretary, making an athletic exit from a Chieftain tank while visiting troops in Berlin.

## Anti-Eurocommunist role for Dr Cunhal

From Our Correspondent Lisbon, Aug 9

A Portuguese government spokesman suggests that the departure to Moscow last week of Dr Alvaro Cunhal, the Communist leader, could be part of a large operation against the growth of Eurocommunism, the doctrine advocated by the Spanish, Italian and French Communist parties.

Dr Cunhal left Lisbon after last week's severe Portuguese Communist Party criticism of the policy of Dr Soares's Socialist Government. The Communist leader had demanded the resignation of the Government, the dissolution of Parliament and new parliamentary elections.

Dr Manuel Alegre, the Prime Minister's political spokesman, said that Dr Cunhal's Moscow trip "gives one to think that a vast operation is under way involving the political line of the Western Communist parties, which want to return to the democratic tradition of the European workers' movement."

He told the Lisbon morning newspaper *Diário de Notícias* that "it looks like an operation against Eurocommunism. This might lead to a split in some Western Communist parties."

He said that either it was more important for the Portuguese Communist Party secretary-general to have discussions in Moscow than to follow the results of his own proposals at home; or that something new was happening within the communist movement.

He accused Dr Cunhal's followers of "putting other interests above the interests of democracy, to be the German-Soviet pact or those which defend a return to pure Stalinism as opposed to Eurocommunism."

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## Court puts off decision on Basque leader

From Our Own Correspondent Paris, Aug 9

An extradition decision against Señor Miguel Angel Aguirre, the Basque separatist leader, has been put off until October 15 by the Court of Appeal in Aix-en-Provence pending further inquiries. But the court rejected a defence request for his release.

Señor Aguirre has been on hunger strike in Marseille Prison for the past 10 days. The Spanish Government claims that he is one of the leaders of the separatist movement. He is accused of having shot a member of the Civil Guard and of involvement in the kidnapping of the Basque industrialist, Señor José Luis Arrese, in June 1976.

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## OVERSEAS

## Mass evictions of black squatters in South Africa embitters relations with Transkei regime

Cape Town, Aug 9.—Thousands of black squatters moved by in hundreds of thousands today as bulldozers and tractors demolished their shanty-town homes here.

The evictions were carried out by the local authorities, who were ordered to do so by the Government of Transkei, the black homeland which South Africa proclaimed independent last October. Most of the blacks involved were Xhosa, who speak the same language as the Transkei, and should go back there.

Mr Dignity Koyana, the Transkei Foreign Minister, told reporters during a visit to Cape Town: "The justification for continued displacement of the black people is the need to create a new nation. The basis for friendship with South Africa is diminishing fast."

He said Transkei rejected the idea that South Africa could dump its unwanted people on his country.

About 140 shacks in the Modderfontein shanty town, leaving 1,059 more to be destroyed as well as 2,409 at two adjoining shanty towns, Unibet and Westergat, according to official counts, were to be demolished.

Mr Koyana said that the Transkei Government was not prepared to accept a large number of black people, who were not wanted in the Transkei.

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my staff here for the past several weeks for speaking in support of the Transkei.

Another woman who was evicted said: "A man told us that the Transkei Government was not prepared to accept a large number of black people, who were not wanted in the Transkei."

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South Africa: Administration officials said the squatters had to be moved because there was no drinking water, sanitation or refuse facilities at the illegal camps.

He said camp-dwellers with no right to be in South Africa had been offered a better site at Nyanga township, where there was water, sanitation and a bus service.

Blacks in the area legally could demolish their own shacks and move to a better site at Nyanga township, where there was water, sanitation and a bus service.

The evicted squatters kept their spirits up last night by singing hymns and prayers. Local supermarkets sent them hot meals, bread and fruit.

Johnstoneburg, Aug 9.—The South African security police are detaining 579 people without charge, according to the independent Institute for Race Relations.

The Institute also named 18 people, all black, who have been held since March last year. It said: "The frequency with which security detentions should be a matter of concern for the entire community."

It said in its latest report: "The number of people who have been held since March last year is a clear indication of the state of emergency and the repression of the black population."

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## Senate challenge to Carter energy Bill

From Frank Vogt US Economics Correspondent Washington, Aug 9

The United States Senate has started work on President Carter's national energy programme, and Dr James Schlesinger, the new Secretary of Energy, was immediately placed on the defensive by some sharp criticisms of the programme by members of the Senate Finance Committee.

Dr Schlesinger's officials said that the President's plan is likely to be greatly weakened by Congress without the firm support of Senator Russell Long, chairman of the committee. Senator Long is a conservative Democrat, and the first time that the President's plan is likely to be greatly weakened by Congress without the firm support of Senator Russell Long, chairman of the committee.

The senator refused to say a word in favour of the President's energy tax proposals, when he opened the committee meeting. He said that the programme provided insufficient incentives to new energy exploration and development.

The House of Representatives concluded work on the energy bill last Friday and the legislation has been sent to the Senate. It is expected that the Senate will vote on the bill in the next few days.

Dr Schlesinger yesterday sought to persuade the Senate Finance Committee to strengthen the legislation, particularly with regard to taxes on petrol and on fuel-injection systems. But his efforts were largely ignored.

On this showing, the 48th Congress may well confirm a White House's worst fears as the energy legislation so greatly that a serious public dispute between the White House and Congress may erupt.

Dr Schlesinger gave warning that the oil-exporting countries will have severe difficulties supplying all the increases in demand expected in America and elsewhere during the 1980s.

Hostages freed in jail revolt

Naples, New York, Aug 9.—About 150 prisoners who had taken over a prison in a revolt here last night after authorities had agreed to negotiate the prisoners' demands.

There were no serious injuries in the revolt, but the prison security was seriously shaken. Some guards were hurt in a hand-to-hand fight with the prisoners when they were taken to the corrections department in a truck.

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## VERSEAS OAU rules against Somalis in order war

Addis Ababa, Aug. 9.—Ethiopia won a diplomatic victory today and claimed a military victory in the fighting over the desert, Ethiopia said it had defeated an attempt by Somali forces to capture the town of Jijiga, one of the last Ethiopian Government enclaves in the Ogaden, where a million ethnic Somalis live.

Ethiopia's diplomatic victory was won in Addis Ababa, where a 12-nation conference of the Organisation of African States (OAS) in effect repudiated Somali claims to the Ogaden, upholding the OAU's position on the inviolability of frontiers in Africa.

The OAU communiqué said the situation on the Horn of Africa was grave and directed the OAU to take action to end the fighting in the Ogaden and the Western Somali Liberation Front, as Somalia main-

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Down home: President Carter checks the progress of the peanut crop on the family farm at Plains, Georgia, watched by his brother, Billy.

## Defence of ghetto dwellers upsets newspaper readers

## Angry New Yorkers demand an explanation for blackout looting

From Nicholas Fraser  
New York, Aug. 9

After the recent blackout in the city, the New York Times published two leading articles on the subject of ghetto dwellers, a consideration of what impelled so many young blacks and Puerto Ricans to pillage the shops.

The articles, after deploring the damage and calling on the police to punish as many rioters as possible, reminded readers of the hopelessness of ghetto life.

"These people are victims of economic and social forces that they sense but do not understand," the newspaper said. "In essence the 'animals' and the 'scum' (as the rioters were called by commentators) are people not bound to this society's values even by the semblance of equal opportunity."

Hundreds of letters poured into The New York Times, most of them vituperative, some frankly racist.

"You still try to justify their behaviour," one writer said. "They live on welfare and rip off the federal Government on all the anti-poverty programmes. The Puerto Ricans can go back to Puerto Rico. They belong there anyway. And if the blacks do not shape up, they can go back to the South."

## Alaska gas pipeline may cross Canada

From Jack Best  
Ottawa, Aug. 9

Canada and the United States will begin negotiations soon on the construction of a natural gas pipeline from Alaska to the rest of the United States across Canadian territory. The cost of the project has been estimated at between \$5,000m and \$10,000m (£4,700m and £9,300m).

Mr. Trudeau, the Canadian Prime Minister, said last night that the Cabinet had provisionally approved a route that would cross the southern Yukon and then continue through British Columbia and Alberta to the United States.

He and President Carter had agreed that such a pipeline could serve both countries' interests, and that negotiations should be opened on that basis.

In Plains, Georgia, Mr. Carter said that he was "optimistic" that the two

A week later the newspaper published an article by Professor Herbert Guttman, author of an acclaimed book about black families and slavery, on the history of urban disorder in New York.

Professor Guttman did not compare white riots with the black rioting, but went on to say that the 1967 Subsidies Act was devised by Mr. Crossman based on a misunderstanding of the effects of inflation and high interest rates.

The Conservative's 1972 Housing Finance Act extended to the council sector the effectively meaningless concept of fair rents that had been imposed on the private rented sector.

The Act was not capable of coping with inflation, and was politically inept in focusing hostility to rent increases on to one point, the central government, and in removing a cherished element of local discretion.

Finally, the 1975 Act, admittedly an interim Act, introduced a new system of rent control, but one which will have remained in force for at least three years, was too generous in subsidy terms, providing subsidies indiscriminately regardless of need.

As is to be expected of a Government in a tenuous political position, this, the main issue has been ducked. Regrettably it has even ducked presenting projections of subsidies and tax allowances under the present and proposed arrangements.

In 1974 Mr. Crossman announced his intention of setting up a review of housing finance, calling it a "dog's breakfast". He was referring no doubt to the subsidies and tax allowances by which many householders pay out in tax from one pocket and obtain money back in the other pocket through housing assistance, to the wild fluctuations in availability of mortgage money, and in land and house prices that upset the housing market in 1972-74, and to the complex (and often anti-economic) ways in which local authority housing spending was controlled.

After two-and-a-half years the Review (Cmd 6851), and concurrently a Review of Scottish Housing (Cmd 6852), has been published—what does it achieve, and what does it not achieve?

The main problem, the level of subsidies and of tax allowances compared with investment, has got worse. As the review comments: "there has been a disconcerting shift in the pattern of expenditure, with assistance rising at a much faster rate than investment—122 per cent compared with 35 per cent between 1969-1970 and 1975-76; in constant 1975-76 prices tax allowances have increased from £547m to £1,100m while subsidies have increased from £627m to £1,502m."

Subsidies have increased to such an extent that this year's expenditure White Paper (Cmd 6721-11) admitted that as a consequence investment had to be reduced.

The Green Paper says that council rents should rise in line with money incomes, but presumably increasing from their current level. Because, however, of the restrictions on rent increases in the past three years this level has lagged behind earnings. The average rent has declined from about 8 per cent of average earnings to 7.2 per cent of average earnings.

Tax relief on mortgage interest payments are analogous to subsidies, a view that can be appreciated by seeing that the cost of a house could be paid by allowing the interest element of rents to qualify for tax relief, or that just as subsidies have to be paid for by raising taxes, so tax relief on mortgage payments require higher taxes elsewhere—the same may be different, but the effects are similar.

Clearly from a purely housing point of view allowing relief at higher marginal tax rates is regressive and nonsensical because the greater the amount borrowed up to the £25,000 limit, and the higher a person's income, the greater is the tax allowance. The Government have argued that the allowance should be looked at in the context of the structure of the total income tax system, which is very progressive. It would, however, have been more honest to say they cannot face up to reintroducing financial incentives by reducing the higher rates of taxation, and that council subsidies could be paid by allowing the interest element of rents to qualify for tax relief, or that just as subsidies have to be paid for by raising taxes, so tax relief on mortgage payments require higher taxes elsewhere—the same may be different, but the effects are similar.

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## In brief

### Lahore strike plan scrapped

Lahore, Aug. 9.—The Pakistan National Alliance tonight called off a general strike planned for tomorrow in Lahore after receiving assurances from the military authorities that those responsible for attacks against some of its leaders would be prosecuted.

General Zia ul-Haq, chief martial law administrator, telephoned the alliance's leaders and asked them to abandon the strike in the interests of public order. Lahore has been tense since Mr. Bhutto, the former Prime Minister, arrived on Monday night.

**'Panama greenmen'**  
Panama City, Aug. 9.—United States and Panamanian negotiators have reached agreement on the financial aspects of a new treaty for the Panama Canal, Panamanian sources said tonight. A draft treaty is expected by the end of the week.

**Saved from volcano**  
Sapporo, Aug. 9.—A rescue party reached a remote village where 200 people were almost cut off by 3ft of ash from the volcano of Mount Usu, on Japan's northern island of Hokkaido.

**Bodies in water hole**  
Perry, Florida, Aug. 9.—The remains of three people, all believed to be men and all with concrete blocks tied to them, were found in a water hole 25 miles from here.

**Jail for shop attack**  
Athens, Aug. 9.—A court martial sentenced Lieutenant George Diamantis, aged 30, to eight years' imprisonment for throwing a hand grenade in May into a bookshop selling Bulgarian books.

**US-Cuba talks**  
Havana, Aug. 9.—Senator Frank Church began talks here that will cover sensitive issues between the United States and Cuba, including the question of American prisoners, thought to number 20.

**Five years more**  
Port Moresby, Aug. 9.—Mr. Michael Somare was reelected Prime Minister of Papua New Guinea for another five years when Parliament resumed here after last month's general election.

**Mexican drought**  
Ciudad Obregon, Mexico, Aug. 9.—A severe drought has hit Mexico, sharply reducing water supplies in the north-west farmlands and threatening to bring food shortages.

# Housing: ducking the main issue

The private rented sector has suffered considerably from the ideologies and incompetence of successive governments

efficiency of the current council financial arrangements. Despite the fact that the Government had advocated discounted cash flow as a means of investment appraisal, it had not been applied to the choice between development and renovation, and appraisals were generally ramshackle. The review has put these and other shortcomings to rights, and by publishing the technical annexes should help to raise the standard of debate on housing. Hopefully one benefit of the intensive learning process will be that there will in future be fewer massive governmental mistakes, and less tendency to accede to the latest fashionable gimmicks and lobbies.

The review includes many proposals, which while ranking as second order compared with the major issue, are important in their own right. The document takes a balanced view of tenure. It shows that the argument about whether tenants or owner occupiers do best out of the subsidy system is more complex than many realized (but it is clear that tenants have done better in terms of direct assistance with their costs over the short term of the last three or four years). Indeed, there are in fact greater disparities within tenure groups than between the averages of the two groups. A low income owner occupier living in a small terrace house in, for example, Leeds, gets far less housing assistance than a well off person with a large house and mortgage to suit in Hampshire. Similarly, given the low rent differentials, a tenant living in an unmodernized block in inner Liverpool benefits far less than a tenant living near attractive and expensive parts of London.

The review takes a balanced view of tenure recognizing that the majority wish to own, but that there is a continuing need for public rented accommodation, and for private renting. There are modest proposals to help first time owner occupiers with an interest free government loan and a savings scheme on which the interest is not taxed. It is to be hoped that the Conservative Party does not try to outsell the Labour proposals. On the one hand, literally giving away the council stock would reduce the capability of councils to deal with people's housing needs, would be unfair in giving some people nice houses and others very poor flats, and would cost the taxpayer about £500m a year in sale at substantial discounts.

Indeed one of the important topics the review examines is the availability of mortgage funds, identifying a possible shortage in the future. It makes proposals for supplementing existing sources by using money raised from institutions, in particular the funds and pension funds, and also proposals to improve the shorter term stability of flow of funds by the building societies operating across a greater range of liquidity and of reserves, altering rates paid to investors more frequently to follow the money market, and raising marginal money on the market.

The private rented sector has suffered considerably from the ideologies and incompetence of successive governments, with the Conservatives missing the opportunity in 1957 to introduce measures which could have set it on a sensible basis. It has been achieved in some Continental countries. This one of the most radical parts of the review is the appreciation by a Labour Government of the importance of the private rented sector in providing housing for certain groups of people, particularly new and mobile households, who might not be able to find the housing they need if the sector's decline continues. The review thus considers "what action can be taken to stimulate the supply of lettings within the private sector."

It suggests that the Government should make it easier for residential landlords to regain possession; treating flats over shops in similar fashion, and the possibility of setting up a new "publicly accountable agency" drawing on institutional funds and having some form of guaranteed return. These proposals, welcome though they are in providing access and flexibility, do not, however, affect the bulk of the sector and we shall have to await the outcome of the review of the Rents Acts. A useful piece of information would have been the cost to the public sector in loss of tax income, and in subsidies and in tax allowances arising from sale of rented property to the public sector and to owner occupiers.

There are some very significant changes proposed in the financing of the council sector. The first is a subsidy system which will direct subsidy to where it is needed, namely to those authorities which have recently undertaken a substantial investment programme, while drawing it away from those with lesser need. The system will be based on an annual determination, like the rate support grant for local authority expenditure, and will thus be sufficiently flexible both to adapt to the vagaries of inflation and to accommodate the rent and subsidy policies of both major parties without requiring new legislation.

The adoption of such a system would be a major advance in "depoliticizing" an aspect of housing. Next there is a new housing investment programme system which provides a block capital sum to local authorities in place of the current array of capital sums for different purposes, such as new building, slum clearance, mortgage lending etc. This approach offers several advantages. First, it increases local expenditure and ability to meet local needs, and reduces detailed administrative involvement by the Department of the Environment. Second, it is intended that money will be allocated based on a more objective assessment of requirements than has been the case in the past, and this will improve authorities' assessments and should encourage a more rational allocation of resources. Third, it gives authorities the incentive, largely lacking in the current system, to seek value for money; with a fixed budget, waste in one area leaves less money for achieving benefits in others.

The theme of getting better value for money is also sought from other proposals. The present government basis of controlling the cost and subsidy of new council building involves detailed vetting of some costs and little control over others, coupled with payment of exchequer subsidy as a high proportion of incurred development costs. The arrangements confuse responsibility and give local authorities little incentive to economize. There are proposals for introducing a simpler system based on a fixed predetermined amount of subsidy per house, so that regardless of whether a house costs say £10,000 or £12,000 the subsidy entitlement will be the same. The difference in costs will be borne locally, and thus the authority has an incentive to be economical. There is a proposal to improve housing accounting procedures. The current method does not identify the total costs of developments, and this can lead to incorrect decision making. The proposal is to identify all schemes, ignoring the financial benefits of speedy development, and demolishing housing which should have been renovated. Indeed, it would not be much of an exaggeration to say that in some respects the current system and its accompanying arrangements facilitate extravagance and slow development.

The Green Paper shows the considerable reduction in the number of dwellings that are either unfit (from 1.15m in 1971 to 0.8m in 1976), or are fit but lack one or more amenities (from 1.75m to 0.5m respectively). It proposes to reduce resources from relatively high quality renovation, to spending less per unit on more of the worst houses, and there are a number of proposals which are by and large a development of current policies. There is an important statement of the principles to be used in evaluating whether to redevelop or renovate older properties, and a guidance document will follow. With the reduction in local authority mortgage lending the Government is looking to building societies to increase their lending on older properties, asking that they be more cautious and careful. The review provides evidence that building societies did lend more on older housing in 1976, replacing in part the cut in local authority lending. While there is evidence that some local authorities do not exploit existing arrangements fully, and some building societies are not all that they are heard about, the scheme, there is probably some scope for extending building society lending in older areas.

The Government proposes to rely on voluntary cooperation between local authorities and building societies, together with a new mortgage scheme, to provide local authorities to make topping up loans and guarantees. But only time will tell whether it can go far enough. It is regrettable that either some more extensive arrangements were not devised, or perhaps have still that local authority mortgage lending is a move away from being classified as public expenditure (which should be feasible once the IMF is no longer so closely involved and accounting changes can be made without our creditors suspecting us of fiddling the books).

A welcome theme running through the paper is a wish to reduce bureaucratic rules and introduce greater flexibility. There are proposals for a tenants' charter for council tenants, which would, among other things, reduce petty restrictions often imposed on tenants, and would provide them with a greater involvement in housing management. The theme of flexibility comes through in the proposals to extend equity sharing schemes, co-operatives, and new co-ownership arrangements to housing associations to provide flexibility. There is a proposal to move towards greater flexibility in new building standards for public housing (the Parker Morris standards), and in improvement grants.

Another welcome theme of the document is that in reflection of the changing housing situation there is a move away from the old simple numbers game, of number knocked down and built. However, the review should have given an estimate of the requirement for new building and other investment. There is now a crude surplus of about 10 to 15,000 a year, compared with households, while the number of households sharing has reduced from about three million to one million since the Second World War. The number of unit dwellings has dropped, and so the future rate of slum clearance will reduce from 80,000 a year in the early 1970s to about 35,000 to 45,000 a year. Barring unforeseen socio-economic changes the future rate of increase in the number of households is projected to decline from 175,000 a year between 1971-75 to 155,000 a year over 1976-86. Consequently the rate of new building is likely to reduce from the 310,000 completions a year achieved 1971-75 to an average of 250,000 to 300,000 a year over the next decade, the level depending on our prosperity.

The Scottish review is broadly similar, but with different emphasis. There is greater emphasis on the need to increase owner occupation, which is appropriate as the level is among the lowest in Europe; the subsidy arrangements are similarly flexible; there is a lesser need for new building.

The review has frequently been dismissed for not being "radical" and resolving the major issues (although given the vocal nature of the public sector, allegedly "radical" housing solutions vary across a wide range: one man's radicalism is another's reaction, another's eye rolling, and another's stony eyed idealism). A politician said recently that there will come a time when some politician will sacrifice his career to do the right thing by housing. Meanwhile, while waiting for the altruistic politicians to take some proposals for consideration, and possibly the beginnings of an all-party consensus emerging. We can put effort into improving and using the tools to hand more effectively, and less bureaucratically. For despite the improvement in general housing conditions, a visit to most of our larger towns and cities still show that there are still many people living in disgusting housing and environmental conditions, and there is much still to do.

Alex Henney

The author is housing development manager of Holland Hannen & Cubitts.

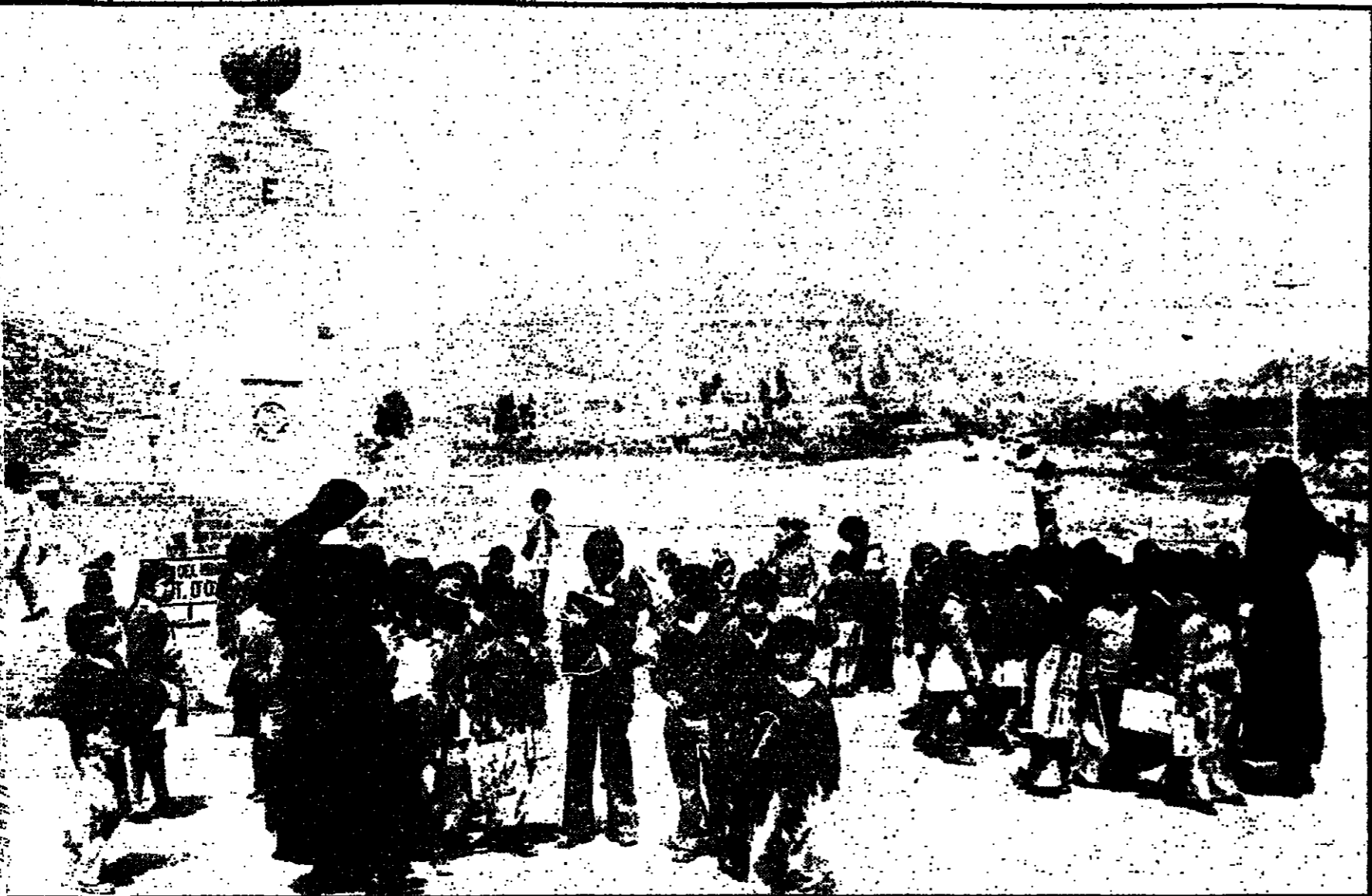
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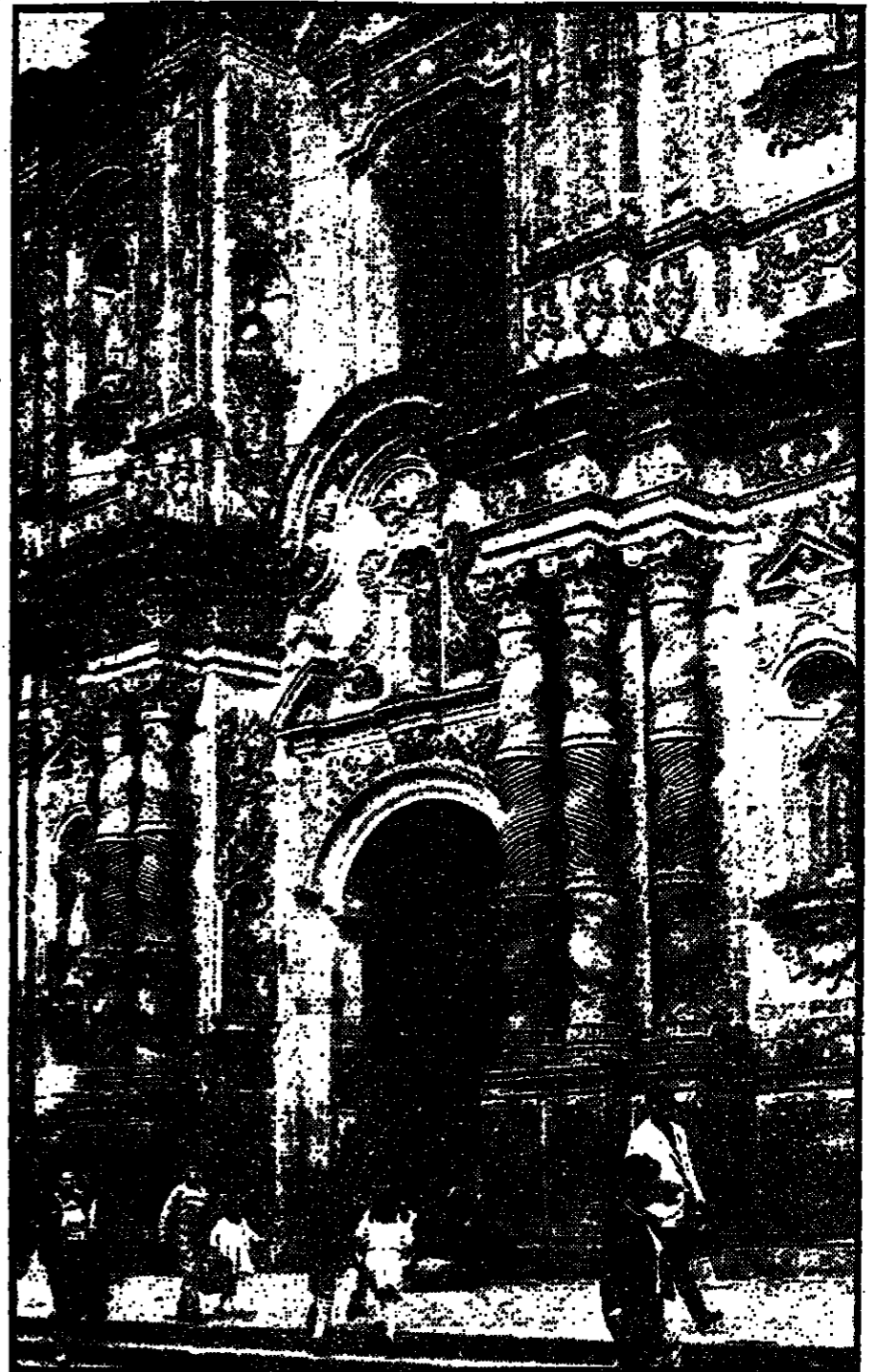




# ECUADOR



to the monument which marks the equator, from which the country takes its name, and the 300-year-old Compania church in Quito.



## Prosperity eases return to democracy

Joey Wise

year oil boom is mingling what was once a Latin American economy into a semi-industrial process of creating a petrochemical and automotive industry for combat air force. Ecuador which before as dedicated mostly to bananas, coffee and often devalued world market prices, enjoying the benefits of oil prices that seem to be only upwards.

At the same time, a different transformation is taking place in politics, where the members of the ruling military junta have created a plan to remove themselves from office and transfer power to a civilian government. El retorno (the return to civilian government) and the method proposed to achieve this have provoked pressures for stronger constitutional democracy and the early end of military rule.

Ecuador has experienced numerous transfers of power from the military to the civilian and back to the military again during its stormy history. Although the present planned transfer of power may be more important than its predecessors, it cannot equal the novelty and the wealth-producing potential of the oil boom which still dominates public interest.

Being an oil exporter is a status symbol for Ecuador. As a proud member of Opec, Ecuador is the second smallest producer of the 13 member nations with a daily output of 210,000 barrels, almost 85 per cent of which is exported.

Yet the dollar income which this produces has had a powerful impact on a nation with a population of only 7,300,000 living in a territory almost one fifth bigger than Britain's. The excess of the impact can be measured by the fact that crude oil exports during the past five years totalling \$2,000m are greater than the nation's 1971 gross national product of \$1,700m. Expressed another way, Ecuador's gdp has more than doubled since 1971, mainly as a result of the petrol boom.

Ecuador is still the world's largest banana-producing nation, a position it has held since the 1950s. However, petroleum is now the dominant factor in the economy accounting for one half of all export value and providing more than four times the banana export income. Banana exports last year totalled \$137m compared with the \$565m value of crude oil shipments abroad.

The flow of petrodollars has filled many holes in the economy left unattended for lack of capital as it seeps into almost all sectors of urban life. Hospitals, schools, roads and moderate-price housing developments have received strong stimulus during the past few years. The principal port of Guayaquil is being modernized and amplified. Small industries are flourishing. The banks are bulging with deposits,

making ample credit available for expansion of existing companies and investment in new projects. Quito, a Spanish colonial architectural gem, is rapidly becoming a forest of modern, high-rise aluminium and cement towers for offices and condominiums. A black market has sprung up with exorbitant prices for cement and other building materials as a result of a construction boom which finds few sections of the capital city without buildings in the process of completion. A visitor to Quito can observe 11 high-rise towers under construction within a 300-yard radius of a principal hotel.

Major industrial projects are under way or are in the planning stage to provide for domestic development. Some are based on a form of vertical integration of petroleum, including refining and the wide array of products that can be made from a petrochemical complex. Others, such as cement and steel plants and the establishment of an automotive industry which will include locally made components, are part of a drive to make the nation less dependent on imports while creating domestic industries and jobs in a country which has high unemployment.

Although Ecuador's short-term outlook is bright, there is concern among local economists that unless new sources of petroleum are developed the present high economic growth pattern could dwindle sharply and serious problems unfold. Domestic petrol consumption increasing at about 14 per cent annually could make Ecuador a net importer within two decades, unless new oil fields are developed.

Crude oil production has declined since the peak year of 1973 when 71 million barrels were exported. A total of 62 million barrels were shipped abroad last year. The pace of exploration has declined from the 1970-74 period when 45 wells annually were drilled to only 15 in 1976.

The decline in exploration was largely because of lack of enthusiasm by foreign oil companies as a result of the Government's conflict with Gulf which was finally resolved in May. The Government paid Gulf \$62m for its remaining shares in the oil consortium of which it is now the majority shareholder with Texaco holding the remaining 37.5 per cent.

Since the settlement with Gulf, the Government is trying to encourage more intensive exploration by foreign oil companies while stepping up its own exploration efforts. Meanwhile, leaders of the ruling military Junta are engaged in the altruistic task of carrying out their programme to "put themselves out of jobs", as a local businessman described it, and turn over power to a civilian government.

The complicated plan calls for a reform of the constitution, a new system of registration of voters and election of a civilian president. The plan originally called for presidential elections to be held in January 1978. However, high officials of the military Government have indicated that the elections might be postponed to June, or later, next year.

The leading figure among dozens of presidential aspirants is Señor Assan Bucaram, head of the Concentración de Fuerzas Populares (Concentration of Popular Forces) and former mayor of Guayaquil, the largest city of Ecuador. Of Lebanese descent, Señor Bucaram is a populist politician with no clearly defined political ideology.

Despite almost daily debate in the press, radio and television over the proposed constitutional referendum and the presidential elections, there is a general public apathy towards the entire procedure which local observers attribute to a lack of civic interest, organized political institutions and political parties.

The President of the Supreme Council of Government is Vice-Admiral Alfredo Foye, who, together with the heads of the army and the air force, make up the triumvirate which rules Ecuador. They have maintained friendly relations with the Pinochet regime of Chile so as to have a possible ally in case of attack by Peru which, according to Ecuador, has illegally occupied almost one quarter of its territory.

Ecuador has never recognized the Rio de Janeiro treaty of 1942 which ceded this large amount of land to Peru. The threat of a sudden attack by Peru, with reportedly the most powerful army in South America equipped with the latest Soviet tanks and fighter aircraft, makes many Ecuadorians feel uneasy.

To build up its defence potential against Peru is the motive for Ecuador's negotiations to buy a fleet of 24 Israeli Kfir fighter bombers. The United States has opposed this sale by Israel which thus far has postponed compliance with Ecuador's request. Ecuador will probably buy similar aircraft from France or elsewhere if Israel fails to deliver the Kfirs, according to informed sources in Quito.

Despite this belligerent preparation, there is ample evidence to support Ecuador's claim of being among the safest and most peaceful nations. A visitor finds half-opened the street door entrance to the home of former President Galo Plaza and is told that this is habitual. Moreover, no bodyguards or pistoleros are employed by the important or wealthy since they are not necessary in a country where crime and violence are infrequent and there are no guerrillas, urban or otherwise.

Perhaps the supreme testimony to the peaceful character of Ecuador is the manner in which the present military junta deposed General Rodriguez Lara in a bloodless palace coup in January 1976. After the rebellious Junta demanded that he resign, General Rodriguez Lara quietly acceded but requested that he first be allowed to attend his daughter's wedding scheduled to be held that night in the national palace. The request was granted. The wedding took place and after midnight, when all the guests had departed, General Rodriguez Lara gracefully bowed out of office.

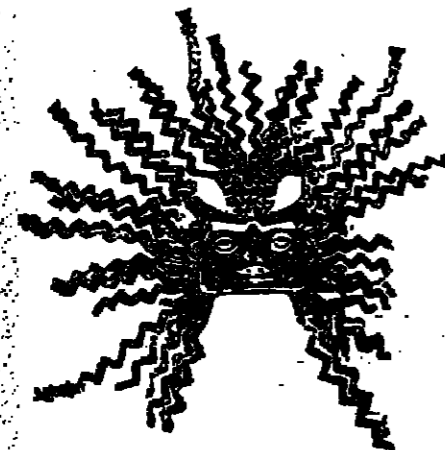
## BANCO CENTRAL DEL ECUADOR

AUGUST 10, 1927-AUGUST 10, 1977

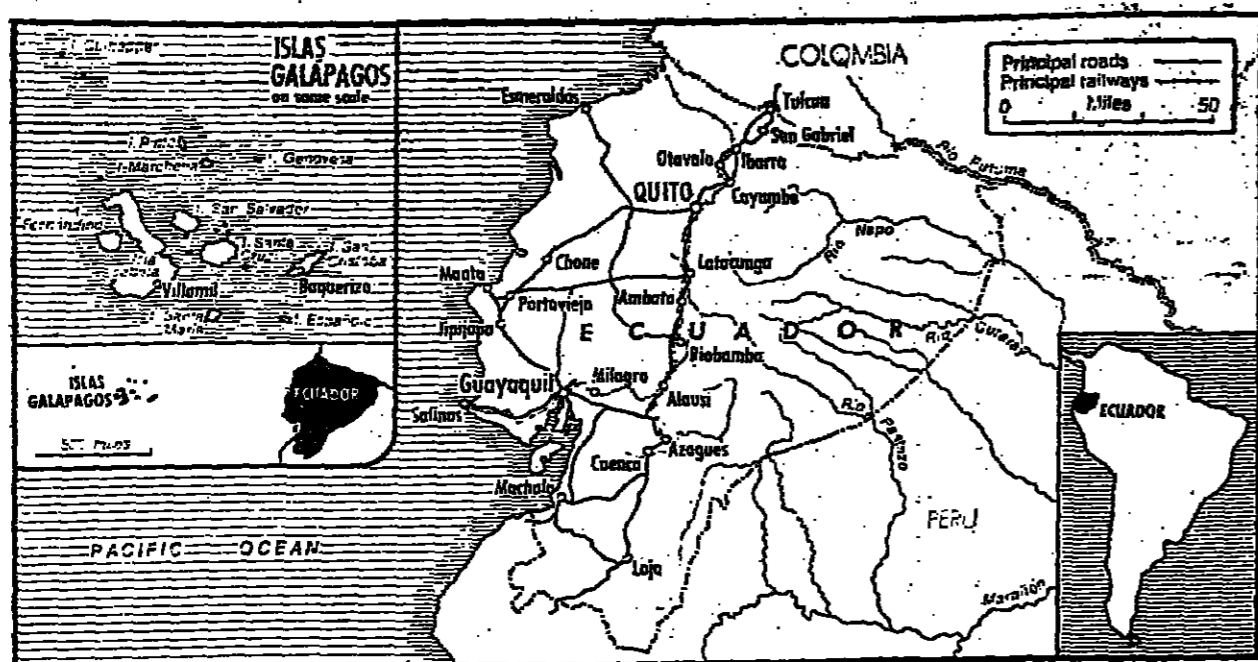
*Fifty years of service to the country's economy*

The Archaeological Museum and the Art Gallery of the Banco Central Del Ecuador—

A permanent contribution to the culture of America



Waterseller  
Jama Couque Culture  
500 BC - 500 AD



## Trade balance moves into surplus

by Susan Morgan

The discovery and exploitation of oil in the past few years have transformed the previously stagnant Ecuadorian economy, traditionally reliant on agricultural exports such as bananas. More recently a further boost has been given to Ecuador's exports by soaring world prices, particularly for coffee (now its second largest export by value after crude petroleum) and to a lesser extent for cocoa.

It was largely the impact of increased coffee revenue that reversed the 1975 trade deficit of \$33m (exports \$910.2m, imports \$943.2m) into a sizable surplus of \$169.6m with exports worth \$1,162.5m and imports \$992.9m. This satisfactory performance improved the current account balance which showed a small deficit of \$2m compared with 1975 figures of \$168m and together with a sizable influx of long-term capital was largely responsible for an overall balance of payments surplus estimated at \$203.2m compared with a deficit of \$58.3m in 1975.

The main components of 1976 exports were crude petroleum, worth \$365.2m, up from \$319.2m in 1975 but still below the 1974 record of \$692.8m; of all exports, coffee showed the most remarkable increase—its value trebling over 1975 figures,

moving from \$64.3m to \$205.3m last year. Increased volume as well as price was responsible for this marked increase, the volume of 89,500 metric tons produced last year representing an increase of 27.7 per cent over the 1973-75 average output.

However, there is one cloud on the horizon: coffee growers are concerned about a proposed increase of export duties levied on coffee from 26.4 per cent to 35 per cent of job value which they claim will adversely affect the industry.

Cocoa is another, though less spectacular, success story; exports last year were up 36 per cent over 1975, moving from \$70.7m to \$96.4m.

Both bananas and sugar however have not only suffered production difficulties but also unfavourable market prices. Bananas dropped by 3 per cent in value and 12 per cent in volume last year, worth only \$140.5m compared with \$145.6m in 1975. The Ecuadorian sugar industry suffers from an unfavourable domestic price structure so that it survives with difficulty in bad years.

Fish and sea-food were valued at \$50m last year and both fish and cocoa benefited from government-sponsored development programmes which in the case of cocoa involves a drive to process a larger proportion of raw beans.

Traditional exports of bananas, coffee, cocoa and processed cocoa accounted for 48 per cent of exports during the first four and a

half months of this year, and crude petroleum 38 per cent during the same period. Ecuador is aiming to develop exports and import substitutions this year.

Outside Andean Pact countries, where Ecuador's two important trading partners are its neighbours Colombia and Peru, its largest trading partner by far is the United States, accounting for almost half the total trade. The United States is the only one of Ecuador's main trading partners so far to have increased its share of the market, from 31.8 per cent in 1971 to 46 per cent last year.

Other trading partners are, in order of importance, Japan, West Germany and the United Kingdom—but these have a far smaller share of the market than the United States.

Total imports in 1976 were worth \$993.2m—a 9.8 per cent increase on the previous year. Important items were raw materials and semi-processed goods for industry, worth \$355.4m against \$293m in 1975.

Capital goods for industry were worth \$253.9m (down from \$286.4m in 1975); transport equipment \$161.3m (\$136.4m in 1975), construction materials \$67.5m (up from \$58.3m a year earlier) and non-durable consumer goods, worth \$59.0m (\$64.1m in 1975).

Although imports rose as a total, imports of semi-processed and capital goods declined over the previous years' figures by 11.3 per cent while those of raw materials,

particularly mineral raw materials, rose. This noticeable shift of emphasis reflected changes in industry-related imports. Of last year's imports 83 per cent were described as necessary goods and the remaining 17 per cent as luxury goods.

The United Kingdom's exports to Ecuador have increased substantially in value over the past few years, from £6m in 1971 to £23m last year, though the market, while growing, is still fairly small. The main components of United Kingdom exports are machinery, transport equipment, electrical goods, scientific instruments and medical supplies, while exports of whisky rose to about £3m this year—up from just over £2m a year earlier—a luxury market which can be expected to grow as shown by the case of oil-rich Venezuela which imported about £17m worth last year.

This year British exports are expected to grow appreciably, progress attributable mainly to sales of Jaguar aircraft to the Ecuadorian Government. Ecuador already possesses 13 Jaguar aircraft and further sales from the United Kingdom have been encouraged by the political unacceptability of Soviet aircraft and the United States veto on sales of Israeli Kfir aircraft.

Ecuador's exports to the United Kingdom have, however, remained low—increasing from £0.7m in 1971 to £2.5m last year, leaving a substantial balance in Britain's favour.

by Sidney Wise

The oil-rich economy of Ecuador is entering a period of new affluence as the country continues to enjoy one of the highest sustained rates of growth in the western hemisphere.

International monetary reserves are at a record level, swollen not only by petrodollar income but by a big development loan and the high prices of coffee and cocoa, normally the two most important crops after bananas.

At the beginning of 1976, monetary reserves totalled \$434m. At the end of June, almost embarrassed by the rapid growth of the reserves, Señor Santiago Sevilla, Minister of Finance, said that after consolidating all recent foreign loans, the total exceeded \$750m.

Five years ago, reserves totalled \$118m. Since Ecuador became an oil-exporting nation in 1972, the economy has expanded at a remarkable rate. The gross national product increased by 18.3 per cent in 1973 and 13.6 per cent in 1974. In 1975 the rate of increase declined to a moderate 5.3 per cent, only to recover to an 8 per cent gain last year. Based on preliminary trends, the gap will increase by 9 per cent this year, according to Señor Sevilla.

The main impetus to Ecuador's expansion comes from crude oil, which, despite the soaring prices for coffee and cocoa, accounted for slightly more than a half of export income in 1976. One result of this infusion of dollars has been the striking increase in per capita income. In 1970 annual per capita income was \$275 for a population of six million; by 1976, with a population of 7,300,000, per capita income had risen to \$628, a gain of 128 per cent in six years.

Another result has been a swift expansion in commerce and industry. In 1970-75, output of footwear and clothing increased by 98 per cent, machinery and electrical appliances 350 per cent, food production 64 per cent, furniture 84 per cent and non-metallic mineral products 218 per cent.

Between 1971 and 1975, manufacturing grew 136 per cent, agriculture 88 per cent, construction 145 per cent, transport 140 per cent, social services 139 per cent, banks and financial institutions 112 per cent, and commerce and hotels 220 per cent.

Although these are impressive rates of growth, the economy has a greater potential for expansion which is being retarded by

## Oil-based growth slowed by lack of support

lack of sufficient back-up facilities. For example, the industrial sector has expanded so swiftly that it has raced beyond the country's electrical capacity—only 75 watts for each inhabitant, the lowest in Latin America and far below that of countries such as Argentina, which has 362 watts per inhabitant.

In July, the Cabinet approved a \$1,730m programme, including a series of hydro-electric projects, to increase electric power capacity, particularly in Quito, where construction, industry and tourism are straining the capital city's capacity to maintain efficient services.

Scores of modern office buildings, condominium towers and factories are being built in Quito. Much the same is true of Guayaquil. The result is a shortage of consumer durables and sharply increased imports of other construction materials.

The Government recently created a commission to halt price speculation. In constant and to encourage expanded capacity from the present level of 644,000 tons to greatly beyond the present demand of 1,200,000 tonnes. Three new plants and two plant expansions valued at \$250m are under way.

One of the most dynamic sectors of the economy has been small industry and handicrafts. In 1976 this sector attracted greater investment than during the previous eight years, mostly because of tax incentives. Decentralization of small industry has been part of this expansion. Previously 90 per cent of small industry was located in the provinces of Guayas and Pichincha, the most heavily concentrated industrial centres. That has been reduced to 60 per cent.

Ecuador's sudden prosperity has been accompanied by a series of negative side-effects and an unbalanced pattern of development. Consumer inflation is increasing at an annual rate of 13 per cent. What is of greater concern is the 48 per cent annual rate of increase in the money supply, as of June.

Another source of concern is the costly government subsidy which allows the sale of petrol to the public at the unusually low price of five sucres (18 cents) a gallon. Critics of this measure, including government economists, claim that it amounts to a subsidy of almost \$90m annually in favour of the upper and middle classes and to the detriment of the impoverished rural population, which has been generally deprived of the benefits of the economic well-being of the past five years. More over, they argue, it is wasting almost 20 per cent of the nation's export income from crude oil.

Shortages, bottlenecks and government largesse seem to be the result of excessive growth, pains of an economy which has not yet found a cohesive pattern of development. Industrialization is one of the main objectives of this development.

The Government last month approved plans to set up an autonomous assembly industry in conjunction with the Andean Pact nations, which include Venezuela, Peru, Colombia and Bolivia. Ecuador will assemble small cars, motor cycles and 4.5-ton lorries, as well as manufacture certain components, such as gear boxes. At the same time, financing is being sought for the establishment of a steel plant and petrochemical complex.

These are symptoms of a disproportionate emphasis on industrialization at the expense of the agricultural sector which has been the traditional mainstay of the economy. Neglected in the excitement of the new oil era, the farming sector, which such as Ecuador generally self-sufficient in food, is no longer able to satisfy national demand. As a result, increasing volumes of wheat, rice, milk, cooking oil and other food staples are being imported.

A United Nations food and agriculture official recently told a seminar in Quito that Ecuador's long-term future would be more solidly based on developing production of food, which in 20 years estimated 45 per cent would be in more demand than petroleum. With a wide variety of climates at high altitude cold to level tropical heat, Ecuador can produce an extensive range of food products which will not only satisfy domestic needs but, over the long term, produce greater export income than petrol.

The official's suggestion to elicit an enthusiastic response. There is little doubt that Ecuador is dedicated to rapid industrialization. A plan to construct Ecuadorian petrochemical complex, Complejo Petroquímico, Ecuadoriano, moving ahead. Four products have qualified to make bids for feasibility studies. They include Japanese, American, French and Ecuadorian companies.

The projected complex will include a new refinery, a petrochemical plant, a chemical products and polyethylene plant, and a needed to develop a domestic industry to manufacture synthetic fibres and plastics.

The manufacturing sector is enjoying an extended period of rapid growth. Investments in plantations and new farms increased by more than 20 per cent last year, a 27 per cent increase in 1976. Bank credit estimates that production of 34 per cent in 1976 was estimated 45 per cent in 1977.

Shortages, bottlenecks and government largesse seem to be the result of excessive growth, pains of an economy which has not yet found a cohesive pattern of development. Industrialization is one of the main objectives of this development.

The bank would receive deposits, grant mortgages, deal in foreign exchange, issue bonds and acquire real estate. The insurance company would provide policies covering such things as fire, theft and personal accident. S. W.



Buses are plentiful and the cheapest way to travel on the Pan-American Highway. An Otavalo Indian is to board; his wife, with bare feet, carries a child and wears the traditional yards of gilded beads.



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## Military steps into economy

The rise of the military to power in Ecuador and the affluence provided by crude oil exports are combining to provide a new shape to economic development.

For the first time the military rulers are playing a direct role in economic development, ensuring the greater strategic independence of the armed forces.

An army that depends too heavily on importing strategic materials is in a weak and dangerous position, the Junta believes.

To reduce this dependence through a programme of import substitution an agency of the Ecuadorian Army, called DINE-la Dirección de Industrias del Ejército, was set up in October, 1973, the second year of crude oil exports.

In addition to its role as a promoter of local industry to provide substitutes for strategically important imports, DINE is dedicated to promoting the creation of a modern industrial society, according to its 1977 report.

DINE's first venture into manufacturing was an investment of about \$1.6m in three factories producing socks, boots, shirts, belts and other military apparel. The factories employ 330.

It then invested in a joint venture with a private company to manufacture items for military field hospitals and related paramilitary products. The total capital of this company, Fadem, is about \$1.3m.

From this timid beginning DINE broadened the scope of its industrial promotion into far more ambitious schemes. Projects to establish a munitions factory and plants to manufacture steel, cement, light weapons, and construction materials are far advanced. Most of the projects are joint ventures with private sector companies, with DINE holding most of the shares.

A feasibility study is scheduled to be completed within six months, at which time DINE aims to set up a joint venture with private foreign companies to build the steel plant by 1982.

The first one for the plant would be imported for the first three years of operation, after which local sources are expected to be discovered.

Another industrial project being planned is Cementos Cotacachi, a cement plant with a capacity of 1,000 tons a day. Total investment is estimated at \$55m. DINE will own 25 per cent of the shares with three other partners not yet identified each holding 25 per cent.

Colonel Luis Emilio Suárez, director of DINE, said the agency invested only in those industrial areas which the private sector could not or did not wish to enter.

Once such projects are in operation, the military agency will withdraw in favour of the private sector. Wherever possible, DINE seeks to establish joint ventures with the Ecuadorian private sector. If joint ventures are set up with foreign companies, such companies must supply technology not available in Ecuador, Colonel Suárez said.

During its first four years of operation, DINE has invested the equivalent of \$84.2m and created 5,132 jobs.

As DINE expands its activities it seems to be ranging further away from the original concept of strengthening the strategic independence of the armed forces towards the broader goal of promoting a more modern industrial society.

Among the projects scheduled to be approved by next year are the establishment of a commercial bank and an insurance company. The bank would receive deposits, grant mortgages, deal in foreign exchange, issue bonds and acquire real estate. The insurance company would provide policies covering such things as fire, theft and personal accident. S. W.

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## Even Shangri-la is becoming overcrowded

David M. Davies

...that old Indian ... that was spoken by ... Vilcabamba, ... "sacred valley", ... are certainly some ... features ... even to this day, ... valley lies in southern ... most of it being ... 4,500ft above sea ... and almost on the ... Because of its alti- ... the region enjoys a ... cool climate and a ... 19°C temperature ... out the year. This ... ment appeals to ... and man alike. ... years ago it was ... paradise, but lately ... been exploited; ... and has been made ... for the growing ... cane, at the expense ... plants.

Indian legends ... the has always ... reputation of indu- ... and happiness. ... local renown came ... Miguel Salvador, a ... from Quito, ... that there was ... region where people ... markably low blood ... He travelled to ... the nearest city, to ... the claims and ... the people did not ... disease or cancer ... these sicknesses ... in the neighbour- ... people from the ... such as Quito, ... and Loja, went to ... to try to cure ... ailments, and they ... improved. It was not ... before the region ... international fame; ... it was known ... ut the world as a ... hazardous journey ... the large village of ... the, one of them ... ing that "the jour-



Francisco Camacho, one of the last centenarians in the "sacred valley" of Vilcabamba.

... these have birth certificates. ... Although individuals reach- ... ing great age is of interest ... only to the extent that it ... indicates that they are of ... strong constitution or their ... ancestors were, when we deal ... with groups we see that there ... is something linked to their ... environment that is worth in- ... vestigating, as it indicates ... that it is something that can ... be applied.

The Vilcabamba valley is ... well watered and it must ... have been luxurious. ... Garden of Eden, before it ... was over-exploited. But it ... is still very beautiful, a ... profusion of flowers every- ... where, flowering trees and ... shrubs and, for most of the ... year, the scents that fill the ... air are heavenly. Golden ... flowers seem to predominate ... for instance the whole ... centre of the village is ... nothing but a mass of mari-

from the sutures of the ... skulls it can be seen that ... they were from young ... people but even in those ... days they had no teeth, ... which indicated trace ele- ... ments including iron, cal- ... cium and chromium as a ... possible reason for longevity, ... the elements being good for ... the body but bad for teeth. ... They are tall and lean with ... very bright eyes, the hair is ... dark and very shiny, and ... in the very old, black hair ... sprouts in tufts from their ... ears and nostrils.

The inhabitants of the ... valley do not live carefully ... even if they live peacefully. ... They are always risking ... their necks, often dying by ... accident rather than disease. ... The only other hazard is the ... annual hay fever, for the air ... is full of pollen that occurs ... in high summer and from ... which they all suffer. They ... drink raw rum and smoke ... heavily and eat vast quan- ... tities of sugar, but all these ... are eaten in an unrefined ... state and are grown locally. ... They sire children into their ... nineties and centenarians ... are on record as being ... chased through the village ... by their husbands.

In their indigenous diet ... nothing comes in from the ... outside but salt. Vast quan- ... tities of culinary herbs are ... also used, and there are ... many sacred wells. The ... children are very bright, ... but they reach puberty late. ... Their dogs can be very old ... and at 20 sufficiently toothy ... to give a nasty bite if too many liberties ... are taken with them. There ... seem to be no snakes in the ... valley.

The bulk of the population ... of the valley is made up of ... a tribe of white Indians, ... with enormous ears and ... beaked noses.

Dr Davies is in the Depart- ... ment of Pathology at the ... Hospital for Tropical ... Diseases, London.



When Downer

... agriculture carried ... of Ecuador, about ... 56 per cent of ... ing population by ... 1970s and bringing ... 83 per cent of ... earnings.

... recovery of oil in the ... provoked a drastic ... in 1976, petro- ... ports earned Ecu- ... 2m, a half of its ... earnings, according ... Nations statistics.

... tural products— ... coffee, cocoa, sea ... products taken ... made up the ... Ecuador's \$1,270m ... exports.

... agriculture still ... 46.5 per cent of the ... force of 1,890,431 ... ahead of the 16.8 ... working in commu- ... social services and ... per cent employed ... manufacturing sector. ... the agrarian reform

## Feudal ways still linger in agriculture

... law was passed in 1964, ... much of the rural com- ... munity had lived under a ... feudal system. The law ... aimed to create "a new ... Ecuador, harmonious, just ... and dynamic".

... It insisted on better ... distribution and use of land, ... guaranteed private land ... ownership only if the soil ... was used properly and effi- ... ciently, and set out to raise ... the agricultural workers' living ... standards. In addition, it ... planned to push the sector ... towards greater progress.

... Just how successful the ... reform has been in ending ... poverty and hard labour is ... difficult to gauge. Many ... peasants still live on ... haciendas and receive a ... house and a small plot of ... land to cultivate in return ... for their work.

... The agricultural sector, ... however, boasted an 11 per ... cent growth in 1974, over ... the previous year, thanks ... mainly to good weather. It ... fell to a 7 per cent growth ... in 1975 and was slightly less ... than 4 per cent last year. ... But the experts called

... One of the agricultural ... projects being given much ... importance is the corn and ... wheat improvement pro- ... gramme. Working closely ... with agronomists from the ... International Centre for ... Wheat and Corn Improve- ... ment in Mexico, Ecuador is ... striving to increase its yields ... a hectare. Parcels of land ... are set aside and planted ... with proved or experimental ... strains.

... The programme has had ... its up and downs. In 1975, ... 803 kilos of wheat were pro- ... duced a hectare, as com- ... pared with 577 in 1974 ... when the weather was bet- ... ter.

... The importance of such ... programmes is underscored ... by the fact that Ecuador's ... Mestizo, Indian and Euro- ... pean population is increas- ... ing at the rate of 3.4 per ... cent a year, one of the ... world's highest growth rates. ... Brazil's is 2.9 per cent.

... Food prices increased 32.4 ... per cent between 1973 and ... 1974, making it clear that ... Ecuador's agriculture still ... has a long way to go.

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... letters CEPE on a ... last year clearly to demon- ... strate government domina- ... tion of the nation's richest ... source of income. It was ... on all petrol ... Ecuador. The ... programme of integration which ... includes exploration, exploi- ... tation, transport and in- ... dustrialization by the state ... oil company.

... To popularize the move to ... grant CEPE a state mono- ... poly, petrol is sold at five ... cents (about 18 United ... States cents) a gallon. This ... makes petrol available to ... motorists in Ecuador at the ... lowest price in the world, ... officials of CEPE claim.

... Ecuador has proven ... reserves of 1,300 million ... barrels and potential ... reserves estimated at 3,500 ... million barrels. This gives ... the nation sufficient reserves ... for about 18 years based on ... the 1976 rate of domestic ... consumption. However, con- ... sumption is rising sharply at ... an estimated rate of at least ... 14 per cent annually. This ... means that unless additional ... petroleum resources are ... developed there will be ... sufficient reserves for only ... six years within a decade, ... requiring a drastic reduction ... in crude oil exports.

... In many ways, the new ... role of CEPE serves to ... clarify some of the rules of ... the game for foreign partici- ... pation in oil development in

... Ecuador which reached a ... decisive stage during the ... last year. This was ... because of a dispute between ... Gulf and the Ecuadorian ... Government, both of which ... were partners with Texaco ... in the petroleum consortium ... —CEPE-Texaco-Gulf.

... The dispute was finally ... settled in May by the Gov- ... ernment's purchase of Gulf's ... 37.5 per cent of the shares ... in the consortium for ... \$82.5m. Added to the 25 ... per cent already owned by ... CEPE, the consortium now ... owns a 62.5 per cent ... majority control. Texaco's ... 37.5 per cent position in the ... consortium remains un- ... changed.

... CEPE bought 25 per cent ... of the consortium in 1974, ... then held only by Texaco ... and Gulf, for \$42.8m, acquir- ... ing 121 per cent from each ... of the two partners.

... Friction has developed ... recently between the two ... consortium partners in ... with Texaco and CEPE ... each blaming the other for ... the lack of development of ... six proved oil fields.

... Some private sector ... sources question whether the ... consortium will work as ... efficiently or be as produc- ... tive under government domi- ... nation. However, CEPE ... feels that the recent series ... of accommodation has placed ... it more within the mould of ... other government oil enter- ... prises in the Third World ... which can satisfy national- ... istic aspirations and objec- ... tives of continued develop- ... ment.

... Ecuador is among the ... newest of the oil-exporting ... nations. Although its present ... 210,000 barrels a day output ... is tiny by comparison to ... that of such petroleum ... giants as Saudi Arabia, it ... is the main motor of ... of economic expansion ... in Ecuador. After Gabon, it ... has the smallest production ... area near the equator in the ... of the 13 member nations ... of the Organization of Pet- ... roleum-Exporting Countries. ... border, to the Colombian ... Ecuador joined Opec in 1973, ... from this hostile region to ... the nearest port of Esmeral-

... fourth, considerably behind ... Argentina, and the two ... of the past year. This was ... because of a dispute between ... Gulf and the Ecuadorian ... Government, both of which ... were partners with Texaco ... in the petroleum consortium ... —CEPE-Texaco-Gulf.

... The dispute was finally ... settled in May by the Gov- ... ernment's purchase of Gulf's ... 37.5 per cent of the shares ... in the consortium for ... \$82.5m. Added to the 25 ... per cent already owned by ... CEPE, the consortium now ... owns a 62.5 per cent ... majority control. Texaco's ... 37.5 per cent position in the ... consortium remains un- ... changed.

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tem Mass for Lieutenant-  
nel Sir Howard Kerr will be  
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on Friday, September 30, at  
P.M.

ntime music: P. Dinner,  
 alin, and E. Rodriguez, Piano.  
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 15: W. Watson, Guitar, St.  
 ide's, Fleet Street, 1.15  
 s: The Heart of the City.  
 set Royal Exchange, Bank-  
 tion. 7.15, 1605s, Great Plaza-  
 e Great Fire, meet Tower  
 station, 7.30.  
 children: Shows: Arch-  
 shops Park, Golders Hill.  
 urle Hill Park: Talk, Pre-  
 mphasite children. Tate Gal-  
 7: The story of flight, Science  
 seum, all at 3.

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## Latest wills

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## University news

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Honours modular: A. F. Hard  
Human biology: K. E. Murphy.  
History and anthropology: J. Rickwood.  
Science and computer studies and psychology.  
Urban and Regional planning:

Mr R. A. Hickie  
and Miss A. C. D. Smith  
The engagement is announced  
between Richard A. Hickie, of  
44, Cambridge Road, London,  
S.W.11, and Anthea C. D. Smith,  
of Emmott House, Laneshaw-  
bridge, Lancashire.

## tors get report

## Karpov is to BBC TV chess

## Science report

**The Press**

took particular exception referred to the marriage of an imaginary uncle of the President to the imaginary uncle's imaginary sister.

At the Press Council hearing two weeks ago, parts of which were televised, Miss Oliver said that the articles were unethically represented as being written by Mrs Carter with the intention of holding her up to ridicule.

## A close look for two visitors

of the Royal Horticultural Society lacks in volume in the New Hall at Westminster is made up for by the quality of plants exhibited. There is plenty to interest gardeners, whatever their speciality.

## Take part in this tournament

1. *Chlorophyll a* and *Chlorophyll b* were determined by the method of Arar and Collins (1971) using a Shimadzu 1010 spectrophotometer. The concentration of chlorophylls was expressed as  $\mu\text{g mL}^{-1}$  of the sample.

## Council is no

After the hearing Miss Oliver accepted an invitation to luncheon in the magazine's board room where eminent guests are entertained at the Punch table each week.

the Royal Horticultural Socie

and or various forms, rupestris-poxis, campanulas, viola, mimulus, prunella, coronaster and achillea, to name but a few.

Herbaceous perennials are also well displayed, especially Gypsophila 'Bristol Fairy', Veronica

## Lord Grade to retire from ATV Network

man of AIV Network by his deputy, Mr Jack Gill. Mr Norman Collins, a founder member of the company, retires under the same rule but remains on the board of the parent company.

not amused

also feels that the author's name should have appeared. But, having regard to the general character of *Punch*, the council, while not regarding the articles as useful, cannot see that they fell to a depth below what is admissible in a free society or that any rule of press ethics has been broken. The complaint against *Punch* is not upheld.

**fine examples of different species**

For special class sponsored by British Begonia Society to commemorate Queen's silver jubilee. 6 stems of standard, any variety, any size: F. M. Bevan, Stroud.

## Apsley House to close for two days a week

"Anyone who was here yester-

**25 years ago**

Brigadier A. A. G. Anderson, aged 50, to be Signal Officer-in-Chief (Army), Ministry of Defence, in the rank of major-general.

Mr John Morrison, President of Wolfson College, Cambridge, to be chairman of the board of trustees of the Bell Educational Trust, Cambridge, in succession to Mr Geoffrey Rickson.

MR EDWARD CHAPMAN

Mr Edward Chapman, the actor, died yesterday at the age of 75. Especially redeemable in the kind of character parts exemplified by Jess Oakroyd, the Braddersford joiner, in *The Good Companions*—his most durable success—Edward Chapman was a staunch Yorkshireman, seldom off the London stage during the late 1920s and the 1930s. Physically commanding, he had a sharp comic instinct and an invaluable gift

LIEUTENANT-GENERAL SIR ARTHUR SMITH

educated at Eton and the Royal Military College, Sandhurst, from which he was commissioned to the Coldstream Guards in 1910. In the First World War he served for three years on the Western Front.

the scientific departments of the Air Ministry. He became Senior Scientific Officer at the Royal Aircraft Establishment in 1927, and in 1929 was Chief

his involvement with the Vichy Government and later as the Allies invaded North Africa, he fled to Chad. The plan came to nothing as the Allies invaded North Africa, he fled to Chad. The plan came to nothing as the Allies invaded North Africa, he fled to Chad.

transient figure in the German Democratic Republic, where he was known to communist officials as a close supporter of the East German elections among the Christian Democratic Union. Regarded by many in west Germany as a Red Maniac, he was expelled from the country on his stand on the 1958 agreement reached between the all-Germany leadership and the Soviet Union to make political concessions to the east German communists in return for religious guarantees. He was in 1964 instrumental in getting the government to agree to release the imprisoned German pastor, who was then permitted to visit relatives in west Germany.

## History

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# THE TIMES

## BUSINESS NEWS

### LAINING

THE COMPLETE CONSTRUCTION SERVICE



Upstage

ster package likely to reduce jobless, page 19

## Upsurge in July revenues points to Budget deficit below Treasury forecast

July's money coming in from the sale of some of its shares in the British Petroleum, the Government saw its revenues exceed its spending in July, putting an end to the summer slump in the national accounts. It is a sign that the Government's forecast of a budget deficit in July, 1977, of £1.1bn was not a net borrower and instead was in a position to repay money.

The indications now are that the total Budget deficit in the current financial year will be somewhat less than Treasury's official forecast. It is too early after only one month of the 1977-78 year to be sure of the underlying of the Government's final position, but City analysts are confident that the public borrowing requirement will be below rather than the £8,500m predicted by Treasury last spring.

The eventual outcome has not been particularly significant, as only if the Budget deficit seems likely to be less than the Treasury's forecast will the Chancellor feel able to consider a stimulus to Britain's economy.

The stimulus to the economy in the form of a tax cut, which would probably have a limited impact on the economy during the remainder of the year, is the smaller the deficit the more likely the Government will be to consider a stimulus to the economy.

### BUDGET DEFICIT (£ million)

	Financial Year	National Income in Rs. Crores	Deficit in Rs. Crores	Central Government Revenue in Rs. Crores
	71-72	1,918	-1,323	484
	72-73	2,000	-1,323	677
	73-74	2,100	1,738	1,961
	74-75	2,351	3,331	2,067
	75-76	2,606	3,109	2,167
	76-77	2,840	2,594	2,880
	77-78	3,054	3,062	2,959
	78-79	3,283	2,151	2,745
	79-80	3,410	2,138	2,448
	80-81	3,540	2,181	2,455
	81-82	3,670	2,181	2,455
	82-83	3,800	2,181	2,455
	83-84	3,930	2,181	2,455
	84-85	4,060	2,181	2,455
	85-86	4,190	2,181	2,455
	86-87	4,320	2,181	2,455
	87-88	4,450	2,181	2,455
	88-89	4,580	2,181	2,455
	89-90	4,710	2,181	2,455
	90-91	4,840	2,181	2,455
	91-92	4,970	2,181	2,455
	92-93	5,100	2,181	2,455
	93-94	5,230	2,181	2,455
	94-95	5,360	2,181	2,455
	95-96	5,490	2,181	2,455
	96-97	5,620	2,181	2,455
	97-98	5,750	2,181	2,455
	98-99	5,880	2,181	2,455
	99-00	6,010	2,181	2,455
	00-01	6,140	2,181	2,455
	01-02	6,270	2,181	2,455
	02-03	6,400	2,181	2,455
	03-04	6,530	2,181	2,455
	04-05	6,660	2,181	2,455
	05-06	6,790	2,181	2,455
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	08-09	7,180	2,181	2,455
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	11-12	7,570	2,181	2,455
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	13-14	7,830	2,181	2,455
	14-15	7,960	2,181	2,455
	15-16	8,090	2,181	2,455
	16-17	8,220	2,181	2,455
	17-18	8,350	2,181	2,455
	18-19	8,480	2,181	2,455
	19-20	8,610	2,181	2,455
	20-21	8,740	2,181	2,455
	21-22	8,870	2,181	2,455
	22-23	9,000	2,181	2,455
	23-24	9,130	2,181	2,455
	24-25	9,260	2,181	2,455
	25-26	9,390	2,181	2,455
	26-27	9,520	2,181	2,455
	27-28	9,650	2,181	2,455
	28-29	9,780	2,181	2,455
	29-30	9,910	2,181	2,455
	30-31	10,040	2,181	2,455
	31-32	10,170	2,181	2,455
	32-33	10,300	2,181	2,455
	33-34	10,430	2,181	2,455
	34-35	10,560	2,181	2,455
	35-36	10,690	2,181	2,455
	36-37	10,820	2,181	2,455
	37-38	10,950	2,181	2,455
	38-39	11,080	2,181	2,455
	39-40	11,210	2,181	2,455
	40-41	11,340	2,181	2,455
	41-42	11,470	2,181	2,455
	42-43	11,600	2,181	2,455
	43-44	11,730	2,181	2,455
	44-45	11,860	2,181	2,455
	45-46	11,990	2,181	2,455
	46-47	12,120	2,181	2,455
	47-48	12,250	2,181	2,455
	48-49	12,380	2,181	2,455
	49-50	12,510	2,181	2,455
	50-51	12,640	2,181	2,455
	51-52	12,770	2,181	2,455
	52-53	12,900	2,181	2,455
	53-54	13,030	2,181	2,455
	54-55	13,160	2,181	2,455
	55-56	13,290	2,181	2,455
	56-57	13,420	2,181	2,455
	57-58	13,550	2,181	2,455
	58-59	13,680	2,181	2,455
	59-60	13,810	2,181	2,455
	60-61	13,940	2,181	2,455
	61-62	14,070	2,181	2,455
	62-63	14,200	2,181	2,455
	63-64	14,330	2,181	2,455
	64-65	14,460	2,181	2,455
	65-66	14,590	2,181	2,455
	66-67	14,720	2,181	2,455
	67-68	14,850	2,181	2,455
	68-69	14,980	2,181	2,455
	69-70	15,110	2,181	2,455
	70-71	15,240	2,181	2,455
	71-72	15,370	2,181	2,455
	72-73	15,500	2,181	2,455
	73-74	15,630	2,181	2,455
	74-75	15,760	2,181	2,455
	75-76	15,890	2,181	2,455
	76-77	16,020	2,181	2,455
	77-78	16,150	2,181	2,455
	78-79	16,280	2,181	2,455
	79-80	16,410	2,181	2,455
	80-81	16,540	2,181	2,455
	81-82	16,670	2,181	2,455
	82-83	16,800	2,181	2,455
	83-84	16,930	2,181	2,455
	84-85	17,060	2,181	2,455
	85-86	17,190	2,181	2,455
	86-87	17,320	2,181	2,455
	87-88	17,450	2,181	2,455
	88-89	17,580	2,181	2,455
	89-90	17,710	2,181	2,455
	90-91	17,840	2,181	2,455
	91-92	17,970	2,181	2,455
	92-93	18,100	2,181	2,455
	93-94	18,230	2,181	2,455
	94-95	18,360	2,181	2,455
	95-96	18,490	2,181	2,455
	96-97	18,620	2,181	2,455
	97-98	18,750	2,181	2,455
	98-99	18,880	2,181	2,455
	99-00	19,010	2,181	2,455
	00-01	19,140	2,181	2,455
	01-02	19,270	2,181	2,455
	02-03	19,400	2,181	2,455
	03-04	19,530	2,181	2,455
	04-05	19,660	2,181	2,455
	05-06	19,790	2,181	2,455
	06-07	19,920	2,181	2,455
	07-08	20,050	2,181	2,455
	08-09	20,180	2,181	2,455
	09-10	20,310	2,181	2,455
	10-11	20,440	2,181	2,455
	11-12	20,570	2,181	2,455
	12-13	20,700	2,181	2,455
	13-14	20,830	2,181	2,455
	14-15	20,960	2,181	2,455
	15-16	21,090	2,181	2,455
	16-17	21,220	2,181	2,455
	17-18	21,350	2,181	2,455
	18-19	21,480	2,181	2,455
	19-20	21,610	2,181	2,455
	20-21	21,740	2,181	2,455
	21-22	21,870	2,181	2,455
	22-23	22,000	2,181	2,455
	23-24	22,130	2,181	2,455
	24-25	22,260	2,181	2,455
	25-26	22,390	2,181	2,455
	26-27	22,520	2,181	2,455
	27-28	22,650	2,181	2,455
	28-29	22,780	2,181	2,455
	29-30	22,910	2,181	2,455
	30-31	23,040	2,181	2,455
	31-32	23,170	2,181	2,455
	32-33	23,300	2,181	2,455
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	18-19	34,480	2,181	2,455
	19-20	34,610	2,181	2,455
	20-21	34,740	2,181	2,455
	21-22	34,870	2,181	2,455
	22-23	35,000	2,181	2,455
	23-24	35,130</		

## Arabian pipeline will revert to US oil groups

Nicosia, Aug. 9.—Ownership of the 754-mile trans-Arabian pipeline (Tapline) will revert to four United States oil companies when Saudi Arabia completes a takeover of the Arabian American Oil Company (Aramco), the Middle East Economic Survey reports.

Aramco, which owns Tapline, is itself owned by Exxon, Mobil, and Amoco.

The weekly newsletter, which reports reliably on oil affairs, printed part of the text of a letter from the Lebanese minister of industry and oil to the Council of Ministers stating that, under the terms of the Saudi takeover of Aramco, "the ownership of Tapline will be transferred from Aramco to the four American companies."

Aramco suspended normal operations in Tapline in February, 1975. Since then only small amounts have been pumped through to supply the local needs of Lebanon and Jordan.

Formerly the line, which has a capacity of 500,000 barrels a day, carried crude oil across Saudi Arabia, Syria, Jordan and Lebanon, for export from the Lebanese Mediterranean terminal at Zahrani.

The pipeline paid fixed transit fees and suspended operations when it became more economical to ship oil by giant tankers, loading in the Gulf near the oilfields.

Now, the newsletter reports, Lebanon has come up with a set of proposals for operating the line to ensure basic supplies for itself and Jordan.

The proposals involve replacement of the fixed transit fee system to a more flexible formula of shared profits from operation of the line.—AP/Dow Jones.

## Wilson Committee

# NEB plea for more investment funds

By Malcolm Brown

The National Enterprise Board has told the Wilson Committee on the City that it would welcome any steps which might be taken either to improve the flow of internally generated funds in industry by, for example, fiscal changes or to enable existing financial institutions in the private sector to provide industry with the scale and type of external funds required.

But it says that such actions, if they are to be effective, must take place within a wider strategy to create a more sympathetic economic climate for industry.

The board, in what may be read as a plea for more funds for the NEB, says that since the total funds available to it under the Industry Act 1975 are £1,000m for all purposes including the financing of such companies as British

Leyland and Rolls-Royce—it can clearly only make a "modest contribution" to the provision of finance for industrial investment.

Stressing the important role it has in helping out small companies, the board also points out its severe limitations.

So far as small companies are concerned, "the board, which will clearly not be practicable for the NEB—any more than it has proved practicable for other institutions in this area—to make more than a limited number of investments each year as compared with the 60,000 manufacturing enterprises employing 200 people or less. The NEB must therefore be selective, and concentrate its resources where they are most likely to bring benefits to the United Kingdom economy."

In another submission to the Wilson

Committee, the Association of British Chambers of Commerce says that the top rate of income tax should be reduced to 50 per cent.

A number of changes are highly desirable, including reducing maximum rate of income tax to 50 per cent, extreme modification of the investment income surcharge, capital transfer tax and capital gains tax.

The ABCC says that it is adamantly opposed to any nationalisation of financial institutions.

"We do not believe that alterations to the system, such as extension of the public sector, or increased trade union supervision, would result in any improvement. Britain's financial services sector is one which stands up to international comparison; it is also very competitive."

## LETTERS TO THE EDITOR

# 'A bridge' to improve industrial relations

From Mr H. Lucas

Sir, John Methven, in his letter of July 28, alleges that I misunderstood and confused the facts on member participation in the management of occupational pension schemes. With appropriate respect, I must say that Mr Methven does not appear either to have read properly or to have grasped the content of my letter (July 22), furthermore, is he not guilty of "teaching Grandmothers..."

In no way do I confuse the negotiation of a pension scheme with its management. Pensions Press are shortly to publish *Pensions and Industrial Relations*, based on facts and personal case-studies, the latter with the cooperation of the management concerned. I have devoted 29 pages (by coincidence the same number as years spent in life and pensions, two thirds in association with the union movement) to membership participation.

To quote a brief extract: "Essentially the responsibility of the trustee to the member is to administer the trust, that is the pension fund, to the best of his ability for the benefit of ALL the beneficiaries, that is ALL the fund members. He is not appointed to represent a sectional interest. He cannot, MUST NOT be better disposed, for example, towards members of trade unions as against non-union members, or the members of a particular trade union as against those of another union. I consider it essential that this should be stated carefully and clearly, and this is repeated on regular intervals in the book. I am sure that this will be a most useful addition to the GMWU training college."

The negotiation by the unions of the consultative and trustee structure does not conflict with the role and duties of trusteeship. The book illustrates examples of the types of structures and their functions which have been negotiated with leading national employers, despite the complexities of multi-plant, multi-union involvement.

Further illustrations include the "trustee" concept held at the GMWU training college.

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## Japan has overcome recession and inflation, economic planning report says

Tokyo, Aug. 9.—Japan's economy remained in recession in fiscal 1976, aggravated by corporate emphasis on defensive instead of aggressive business management, the Economic Planning Agency said today in a White Paper on the economy for fiscal 1977.

The White Paper emphasized that the Japanese economy is still faced with three big problems and imbalances: the gap between strong exports and sluggish economic demand; companies which raise prices to increase profitability despite low consumer demand and friction internationally due to a growing trade surplus.

The latest economic rally in Japan can be traced to overseas demand, the EPA said in the report approved by the government today. Inventories have continued to increase and companies are changing structure to cope with a low-growth era.

In an effort to reduce production costs, corporations are scaling down operations, saving through job reductions, limiting borrowing and rationalizing production.

Steps should be taken to revive ailing industries and boost business confidence, the report said. But a top official at the EPA said that the mood of recession in Japan probably would not be eliminated even if the government target of real economic growth rate of 6.7 per cent is achieved this year.

The 1977 White Paper, published the "Japanese economy steadily adapting to the era of stable growth," said the economy has finally overcome the problems of recession, rampant inflation and balance of payments deficits brought on by the 1973 oil crisis.

It notes that the ratio of private investment to gross national product fell from an average of 18.1 per cent in

## In brief UK motor output falls to 72,000

Car production in the United Kingdom last month was 72,000 against 109,000 in June and 91,000 in July, last year, the Department of Industry reported yesterday.

On a seasonally adjusted basis, car output in the three months May-July averaged 107,000 a month, a rise of 2 per cent on the previous three months.

Commercial vehicle output fell by 2 per cent.

**£1.3m Polish order**

Some £1.3m worth of British wall and roof cladding, decking and ventilators has been specified for use on one of the largest new production plants, under construction at Wloclawek, Poland. The export division of H. H. Robertson is the latest of a number of British companies to sign protocol agreements for a share in the £170m project.

**£7m open-cast contract**

A 57m open-cast contract for the open-cast mining of coal has been placed by the National Coal Board with W. & C. French (Construction), a member of the French Kier group. The site is at Benbail, about 15 miles south-east of Ayr, and the contract is expected to yield about 200,000 tons a year.

**Stagnation forecast**

The 1977/78 fiscal year will be another difficult year for the Australian economy with aggregate output stagnant and with unemployment continuing to rise, the Melbourne University Institute of Applied Economic and Social Research said in its latest quarterly *Australian Economic Review*. But it also said that inflation will, however, slowly decline in the year.

## Wall St fears money supply may be tightened

From Frank Vogl  
US Economics Correspondent  
Washington, Aug. 9

Widespread fears of a further tightening of United States money policy have produced a steep and broad slide in share prices, leaving the Dow Jones industrial average at its lowest level in almost 20 months.

Speculation was widespread on Wall Street today that the Federal Reserve Board may raise the discount rate and allow the rate of federal funds to rise still further in order to demonstrate its determination to hold the money supply growth rate within its set range.

The rate for Federal funds, the key short-term rate which influences all other rates and is most easily directed by Federal action, has been moving upward. The New York Federal Reserve Bank entered the money market today to try to calm the speculative wave.

The Fed conducted two so-called two-day reverse repurchase agreements at a 5% Federal Fund rate, and this action is being seen as an attempt by the Fed to stabilize this key rate at this level.

The Fed, however, may be forced to abandon this rate before long, and allow the rate for Federal funds to move to 6 per cent or possibly even higher, according to market experts.

Such a development would almost certainly push all short term rates broadly higher, and see the commercial bank prime lending rate advance to at least 7 per cent.

The Federal Reserve Board now faces a major dilemma. For the first time since it started announcing money growth target ranges, there is a strong possibility that the upper limit for growth in the narrowly-defined money supply (M1) could well be exceeded.

To ensure against this, the Fed will have to tighten credit. The authors of *Citicorp's Economic Week Report* note that latest estimates suggest that M1 grew at an annual rate of 19 per cent in July, while M2 advanced at about 18 per cent. This suggests, these economists point out, that third quarter money growth could be at an annual rate of 8 to 10 per cent from M1, and at 9 to 11 per cent for M2.

Dr Arthur Burns, the Fed's chairman, announced on July

## Sick of being squeezed out of London by scrum of tourists

From Mrs C. Gratus

Sir, I do wish you would stop publishing economic letters about the millions of pounds tourists are bringing into this country. It's extremely annoying for those of us who have to put up with the tourists and never see a penny of the money.

I'm sick of standing all the way home on the Tube after a hard day's work (my tube, paid for by my rates and my season ticket) because the seats are all occupied by foreigners on holiday travelling with cut-price tickets. I'm irritated when I literally can't get near enough to the watch counter in Selfridge's to see the display, let alone detach an

assistant from the scrum of tourists round the counter. And I'm furious when I get up especially early to buy tickets for the National Theatre before going to work only to find that they've all sold to tourists within minutes of the box office opening (my National Theatre too).

It may be nice for London Transport, Selfridge's and the National Theatre, but will someone please tell me what's in it for the ordinary people who live and work in London?

Yours faithfully,  
CHRISTINE GRATUS,  
17 Cunningham Street,  
Acton Green,  
London W3 5ER.  
August 3.

## Singular decline in tax allowance

From Mr M. J. Pelling

Sir, In the recent issue about income tax rates a point the appears to have escaped notice is the continued decline in the single man's personal allowance when expressed as a percentage of the married man's allowance. The figures are, since 1953:

Year	Single	Married
1953/54	22.3%	22.3%
1954/55	22.3%	22.3%
1955/56	22.3%	22.3%
1956/57	22.3%	22.3%
1957/58	22.3%	22.3%
1958/59	22.3%	22.3%
1959/60	22.3%	22.3%
1960/61	22.3%	22.3%
1961/62	22.3%	22.3%
1962/63	22.3%	22.3%
1963/64	22.3%	22.3%
1964/65	22.3%	22.3%
1965/66	22.3%	22.3%
1966/67	22.3%	22.3%
1967/68	22.3%	22.3%
1968/69	22.3%	22.3%
1969/70	22.3%	22.3%
1970/71	22.3%	22.3%
1971/72	22.3%	22.3%
1972/73	22.3%	22.3%
1973/74	22.3%	22.3%
1974/75	22.3%	22.3%
1975/76	22.3%	22.3%
1976/77	22.3%	22.3%
1977/78	22.3%	22.3%

Is the Chancellor prepared to offer us a rational explanation?

M. J. PELLING,  
183 Green Street,  
Forest Gate,  
London E7 6LL.  
July 20.

## Economic necessity and the discerning cabbie

From Mr D. Zuccini

Sir, I am writing on an issue of some public concern.

The London taxi trade is in a state of crisis. Capital is leaving at an alarming rate (30 garages have closed during the last two years), general running costs are soaring and the price of a new taxi now stands at £4,000. It is some two years since the taxi trade enjoyed substantial fare increases.

We may also note that the structure of the fares is such that the journey of a discerning taxi driver is disproportionately long and unprofitable. Thus, for one passenger with no luggage during the normal working day, the

first mile yields 50p while a six-mile journey across London, often in heavy traffic, yields £1.50 or 25p per mile. Furthermore, until £1.50 is reached on the taximeter the taxi-driver is compelled to wait at the rate of 2p per minute. This disproportionate return is having serious effects on the distribution of the taxi trade's resources.

While driving my taxi around London I am frequently asked, particularly by the bemused foreign visitor, why it is so difficult to obtain a taxi. During peak hours we may observe a relatively large number of empty taxis making

their way towards the hotel for the more lucrative ride-taxi drivers anxious to avoid the six-mile journey and a general reluctance to wait for passengers. Economic necessity has forced the taxi-driver to become highly discerning.

The Home Office is now the process of considering fare application. In the public interest it is important to give speedy consideration to this to this matter.

Yours faithfully,  
D. ZUCCINI,  
16 Breakspurs Road,  
Brackley,  
London, SE4 10W.  
August 5.

## Appointments Vacant also on page 25

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For full details and an application form (to be returned by 2 September, 1977) write to Civil Service Commission, Alcon Link, Basingstoke, Hants, RG21 1JB, or telephone Basingstoke (0256) 88551 (answering service operates outside office hours). Please quote G/9574.

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## NOTICE

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BY THE FINANCIAL EDITOR

## Jobbers—facing the facts of life

Never their claims to the contrary, no need take too seriously the assertions with Bros and Bisgood, Bishop yesterday that they are merging out of strength, sharp drop in turnover has been putting them under pressure ever since the last market with only the extraordinary rise in the gilt market coming to their aid—certainly those jobbers like Bisgood Smith who rely on the equity market for their livelihood have continued to feel the pinch.

Jobbing firms, it is true, have tended to back by widening their margins and bids between the big five London jobbers shares they deal in look about as comely as the clearing banks' base rates. Usually significant, however, is the fact that jobbers themselves have been feeling undercapitalized given the size of national deals that now dominate the market. That in itself has already led to a significant shift in Smith's style of dealing, since the last bull market it tended to take a view on the market rather than simply deal. And the shortage of capital has also added to the volatility of the market given that jobbers now keep books very short and, as yesterday, scramble for stock whenever any activity emerges.

It has also become apparent over the past few years that jobbers who rely on national equities for much of their business like Smith, have become increasingly reined at the way foreign (American in particular) brokers have started to muscle their territory. Earlier this year, for instance, Smith asked The Stock Exchange permission to deal in South African shares outside the confines of The Stock Exchange.

It may therefore be necessary but it is means beautiful. Clearly the contraction in the number of jobbers over the years (including country jobbers) since 1960 the new four big London groups entering for nine-tenths of stock market turnover—can only reduce the degree of competition.

Though Smith and Bisgood were affirming yesterday that they only overlapped in bids out of the 2,700 they dealt in, others certainly worry that the reduction in competition had already gone about as far as could with some worrying that they have even have to reopen books in shares they had stopped dealing in because were considered unprofitable.

One view is that the contraction in number of jobbers is to be regretted but helps those who remain to stand up to full blast of international competition penalty that will have to be paid.

th & Nephew.

turn to

with

out the stock market apparently having moved, Smith & Nephew looks to have moved to the steady growth pattern it had before the write-offs at the Gala. The company's subsidiary destroyed its image. In 28 per cent growth in second quarter giving a 26 per cent rise to £7.4m in 24 weeks ended June 18 marks three successive quarters of the kind of regular movement which used to be the group's mark.

Although there has been a slight improvement in the shares during the year, the price has greatly underperformed the rise since first indications of the problem of Gala began to come out in mid-1975. Prospective yield of 7 per cent with shares at 52½p and a prospective fully-earns ratio of under nine, may seem to give the group too poor a rating, comparatively it is a long way from that it used to command as a growth stock strong protective qualities.

Problems of Gala now do look well over. Last year's improvement in UK has been turned into a strong rise. In the United States, which was the main problem area, losses of £1.2m last should be reduced to around £600,000 a current year. Any natural lingering of the net £3.3m write-off would not be sufficient to mislead.

United States operation has until the mid to prove itself, and should it appear here are few prospects of a reasonable

return the operation can be terminated with a negligible effect on year-end results.

Sales growth slowed in the second quarter, but could be made up later, and—wage demands permitting—more stable raw



Mr. Stephen Steen, President, and (right) Mr. Kenneth Kemp, chairman, of Smith & Nephew.

material prices should allow margins to move closer to the target of 12 per cent.

Looking further ahead, promotional expenditure in the highly competitive personal hygiene business had gained the group market share but the benefits are still to come through to profits while the plastics division can be expected to show a further rise when the economy improves. A gradual improvement in the shares over the coming months, then, seems likely.

### Money supply

### Not as bad as it looks

A 2.2 per cent rise in the banking system's eligible liabilities—essentially deposits—in the banking month to mid-July is not quite the unwelcome curtain-raiser to next week's full money supply figures that it might at first appear.

Indeed, the rise in the money supply may well be closer to 1 per cent, largely for two reasons. The first is that the rise in the London clearing banks include a £190m increase in the overseas sector's sterling deposits. This reflects part of the inflow of money across the exchanges during the month, but is not counted—unwisely, some would say—as a component in the money supply.

The second factor is that whereas the eligible liabilities figure is unadjusted, money supply figures are seasonally adjusted and July traditionally includes a downward seasonal adjustment of several hundred million.

Even if this all adds up to a reasonably satisfactory picture on the surface, however, it follows a period in which the Government's financial position has been relatively good—partly helped by the £270m, or so picked up from the BP sale—and in which the authorities have still pumped out a large quantity of gilts, probably some £600m gross.

Just how capable is British industry of meeting the kind of hefty wage demands that are now widely expected to begin filtering through? According to stockbrokers L. Messel not very. The firm has measured the growth in wages alongside corporate liquidity over the past 10 years and concludes that there is a clear link between the two.

Its analysis shows that at the point during the past decade when wages were growing most rapidly, industry's liquidity in relation to its wage bill was at its greatest. On the same measure, Messel reckons that the present liquidity/wage ratio is lower than it has been at any time—barring one brief quarter in 1975—since 1972.

Messel has also looked at companies' bank borrowings in relation to their bank deposits and argues that this ratio is at the highest it has been in the past 10 years except for those days of the most severe cash squeeze in late 1974 and early 1975.

Its conclusion is that industry is ill-equipped to meet big pay demands and it predicts average increases of 10-12½ per cent, broadly in line with money supply growth targets, rather than the more common 15-20 per cent forecasts now common in the City.

Last week Mr. Roy Mason, the Secretary of State for Northern Ireland, announced a package of measures which could generate an increase in financial assistance to industry in Northern Ireland of about £1,000m in the period up to 1983.

The main thrust of the Government's measure is additional investment grants of £100m in 1977-78 and £120m per annum up to 1983 if fully taken up. About £350m is to be given to the Northern Ireland Electricity Service to help bring electricity charges into line with those in Great Britain.

This new policy initiative is substantial in relation to an average expenditure of £60m per annum on regional policy in Northern Ireland in recent years. With the unemployment rate in the province as a whole now at a postwar peak of 13 per cent, and in excess of 20 per cent in some areas, it is an opportunity to review the recent economic performance of the province and place these new measures in perspective.

Throughout much of the postwar period up to about 1970, the rate of economic progress in Ulster relative to the United Kingdom was in many ways encouraging. The unemployment rate which had been on average 4½ times that of the United Kingdom in the 1950s fell to 3½ times the United Kingdom rate in the 1960s and was only twice the rate in the early 1970s.

Industrial production in Northern Ireland increased by over 4 per cent per annum between 1960 and 1970 compared with about 2.6 per cent per annum in the United Kingdom. By contrast the index of production over the entire period 1970 to 1976 increased by only one percentage point in Northern Ireland compared with 3.6 percentage points in the United Kingdom. In other

words, industrial production grew very little in the United Kingdom and hardly at all in Northern Ireland after 1971.

Similarly, the growth of GDP in real terms in Northern Ireland significantly exceeded that in the United Kingdom between 1960 and 1970, but thereafter fell well below that of the United Kingdom. The relatively rapid growth rate of the 1960s was reflected in a convergence of earnings between Northern Ireland and the United Kingdom.

In April, 1961, average weekly earnings of adult male workers in manufacturing were £15.75 in the United Kingdom compared with £12.75 in Northern Ireland, a difference of 24 per cent. By October, 1975, this differential had fallen to 5 per cent.

While the narrowing of the earnings differential represents a relative gain in living standards to those at work in Ulster it was also likely to be an important factor in reducing the incentive for new manufacturers to move into the region from elsewhere.

Much of the success reflected in these figures can be attributed to the effectiveness of government regional policy between the late 1950s and the onset of the political troubles in 1969-70. Research we have undertaken suggests that between 1960 and 1970 regional policy created new manufacturing jobs in Ulster at the rate of about 3,500 a year (accounting for 40,000 jobs in the period as a whole, some 22 per cent of all manufacturing employment in 1970).

Allowing for indirect employment effects on non-manufacturing industry, regional policy may have created as many as 55,000-60,000 jobs in the decade of the 1960s. This was far short

### This new policy

### initiative is

### substantial in

### relation to an

### average

### expenditure of

### £60m a year

### on regional policy

### in N Ireland

### in recent

### years. Barry Moore

### and John Rhodes

### review the

### economic performance

### of the province

of the number of jobs required to secure full employment in Ulster but was nevertheless a notable achievement.

About three-quarters of the manufacturing jobs (30,000) were in firms diverted from outside Northern Ireland but only 10,000 of these were attracted from countries other than Great Britain. This contrasts with the Republic of Ireland which, with the help of measures which gave generous tax relief on exports, were particularly successful in promoting manufacturing activity via the attraction of foreign investment from non-United Kingdom sources. Whereas Northern Ireland attracted only 28 non-

United Kingdom foreign-owned projects between 1960 and 1971 the Republic attracted as many as 160 such projects, only 20 short of the total foreign projects attracted to the United Kingdom as a whole.

The situation from 1970 onwards has been radically different. A combination of factors have offset or reduced the rate at which regional policy has been creating additional jobs in Northern Ireland to zero. These factors include the weakening of the regional policy package itself in the 1970s which accounts for about half the decline in the effect of policy, the slow growth of the United Kingdom economy and, in particular, the continuing sluggishness of manufacturing investment.

All the development areas have suffered as a result, but on nothing like the scale experienced in Northern Ireland, which suggests that the political troubles have been an important additional factor working in the province. We estimate that perhaps as many as 15,000 manufacturing jobs have been lost as a result of this political instability. Regional inducements in Northern Ireland have traditionally been more generous to companies than those in Great Britain's development and special development areas. Expenditure on regional incentives per manufacturing worker in British mainland development areas totalled £723 in the decade 1960-70 compared with £1,520 in Northern Ireland.

The equivalent figures for the 1970-76 period are £1,176 for the United Kingdom and £1,630 for Northern Ireland. The latter figure largely reflects the lower rate of take-up of the incentives after 1970. The new

policy initiative further enhances the financial incentive to invest in the province.

Moreover, it comes at a time when regional policy relating to Great Britain's development areas has been substantially weakened compared with the 1960s and this should be a factor working in favour of new industrial development in Northern Ireland.

However, given the narrowing of labour cost differentials and the slow rate of growth expected in the United Kingdom at least in the next year or two, it is difficult to envisage British manufacturing companies expanding sufficiently to take up these additional grants even with a significant electricity subsidy.

The other major potential source of manufacturing investment and job creation is from foreign multinational companies. Only about two such firms a year have been attracted to Northern Ireland in recent years and it is difficult to envisage a very substantial additional inflow of foreign investment so long as the Republic of Ireland continues to offer very generous tax holidays to foreign multinationals.

Welcome though the new measures for Northern Ireland are, they are not likely to bring in sufficient new investment to substantially reduce unemployment rates until the Government's national economic policies change.

The initiative is a bold one but is not likely to divert new investment projects into the province on a significant scale until the United Kingdom economy is expanding more rapidly.

The authors are senior research officers at the Department of Applied Economics, University of Cambridge.

Michael Bailly

## Stony road ahead for the hauliers

reverse, the steady transfer of freight from road to rail?

There is no evidence from the past to suggest such an outcome. An accentuation of existing trends towards a slimmer, more concentrated, and more specialised road transport industry seems much more on the cards.

The domestic freight market has already been contracting for years. Tonnage fell by 10 per cent, from 2,000 million tons to 1,800 million tons, between 1968 and 1975, as a result mainly of the decline in certain heavy industries.

Ton-mileage over the same period by contrast grew from 120,000 million in 1965 to 137,000 million in 1975, reflecting a longer average haul which had risen from 39 to 48 miles.

Road transport costs after steadily increasing until the early seventies have since escalated sharply. From 1973 to 1974 they went up 13 per cent, from 1974 to 1975 (with the

Road haulage: vehicles per operator in 1975		
Size of fleet		% of licences
1	..	55
2	..	17
3-5	..	15
6-20	..	10
20-50	..	2
Over 50	..	1
		100

help of a wages explosion) by 28 per cent, from 1975 to 1976 by 21 per cent, and from 1976 to 1977 (helped by a rise in fuel duty from 22½p to 30p a gallon) by 15 per cent.

So far this year, with a further rise in fuel duty to 35p a gallon and an additional 35p

on vehicle licences, costs have already gone up 73 per cent.

Clearly they would be levelling out if it were not for Chancellors, and the rocketing price of new vehicles. Taking 1970 as a base 100, the index of new lorry prices is currently around 325.

The twin pressures of a declining or static market and rapid cost inflation have certainly made their mark on road transport, but not in the form of a loss of traffic to rail.

On the contrary, between 1965 and 1975 road transport increased its share of domestic freight tonnage from 83 per cent to 85 per cent; and of ton-mileage from 57 per cent to 67 per cent.

Rail's greater involvement in the declining heavy sector was no doubt partly to blame for its deteriorating position, but its recent success in containing costs as well as its quality of service, must have played an even greater part.

Since 1974 road haulage charges have gone up by an average of 40 per cent; rail freight (excluding parcels) by over 50 per cent.

In such siege conditions life has become steadily more difficult for that bastion of road haulage—the small man operating the spot market. One vehicle operator still made up 55 per cent of the industry in 1975 compared with only 1 per cent with over 50 vehicles (though the 50-plus operators had a quarter of the total fleet).

But small operators feature prominently in the industry's rising share of bankruptcies (from under 4 per cent of the total in 1970 to 6 per cent in 1976, sharing pride of place with the building industry).

The trend towards both larger fleets and larger vehicles is unmistakable as the pressure on costs and financial resources relentlessly grows. At the same time, partly to the benefit of the industry, return on the heavier investment involved in this transformation, operators have been shifting from spot to long-term contract employment, many with tailor-made services for specific markets, such as agriculture, chemicals, textiles, foodstuffs.

It is by no means certain that all the apparent threats to road transport will materialize in full. The tax changes have yet to be quantified, at any rate publicly, and the Transport and General Workers' Union remains as intransigently opposed to tachographs as ever.

It appears Taiwan is no longer "A-1 at Lloyd's". The national Chinese stronghold has been demoted to provincial status by Lloyd's Register of Shipping, after being accorded an entry as a fully-fledged state in its annual report published last March.

In its latest "Casualty Return" put out today, Lloyd's describes the island as "Province of Taiwan" immediately beneath an entry reading "China, People's Republic of".

A delegation from Lloyd's visited "China, People's Republic of" in May to discuss an agreement on cooperation. The trip was reported to have been "fruitful".

However, yesterday a register spokesman said the change had been made to bring the entry in line with government policy as laid down in a communiqué of 1972.

None of us can escape the blight of an occasional misprint, so perhaps one should not be too hard on The Grocer, bible of the food retailing business, which in its present issue reports: "While the dispute is on, other bachelors' incomes may be in some way reduced in short supply in some areas".

### FREIGHT TRANSPORT: WHO LIFTS THE MOST GOODS

	1965	1975
	%	%
ROAD	83.2	85.3
RAIL	12.2	8.8
COASTAL SHIPPING	2.8	2.1
INLAND WATERWAYS	0.4	0.2
PIPELINES	1.4	2.8
TOTAL	100.0	100.0
TONNAGE (millions)	1,911	1,782

Drivers' hours are still in the melting pot after EEC transport ministers at their recent council meeting failed to agree (largely through France's objection to a further period of grace for Britain) to modify and make marginally more flexible the existing regulations.

But substantial implementation of these measures is inevitable. These combined with a slowing of the road programme at home and continuing harassment abroad (Germany's Transport Minister recently gave warning that the effect of international road transport on his country's roads and communities was such that he would prevent any further growth) adds up to a thoroughly hostile environment.

Rail should draw some small benefit from what lies ahead. Both the higher excise duty and the drivers' hours will hit hardest at the heavy long-distance haulier who competes most with the railways Freight-liners.

But the main effect will almost certainly be yet further rationalization and retrenchment within road transport. This will be painful, and it is hardly surprising that voices are being raised among hauliers for a revival here of the kind of quantity licensing still practised in most European countries.

An opportunity could arise after the licensing review promised in the White Paper. Siren voices will then undoubtedly be raised from the beleaguered operators in both road and rail freight for a return to the kind of protection.

Whether that would be in the interest of industry and the economy at large is something the Government will no doubt ponder.

COMPAGNIE FINANCIERE DE SUEZ			
Société Anonyme registered in France with a capital of 225,110,000 Francs			
Registered Office: 7, rue d'Alsace, 75008 PARIS			
Financial year: from January 1 to December 31			
INTERIM STATEMENT OF INCOME—1977 (compared with 1976)			
	1976	1977	
Portfolio income	Francs	Francs	
1st quarter	1,622,338.10	21,066,591.47	
2nd quarter	113,941,928.02	153,683,299.26	
	115,564,316.12	174,749,890.83	
Total amount of other income			
1st quarter	4,767,929.73	5,669,879.87	
2nd quarter	45,424,233.01	33,776,658.69	
	50,192,164.74	39,446,538.56	
General total	165,756,480.83	214,226,429.39	

It should be noted that in the case of portfolio investment companies, comparisons are only of significance over a full financial year.

LONDON, 8th August 1977

## AARONSON BROS. LIMITED

Manufacturers of Countboard, Coniplas, Wood Veneers, Aroplas, Laconita, Griffinitie, Armaflex, Spanboard etc.

### INTERIM REPORT—6 MONTHS TO 31st MARCH 1977

	Unaudited for six months to	Published Accounts
	31.3.77	31.3.76
	£'000	£'000
Sales Turnover	15,289	10,074
Net Profit before taxation	1,567	1,136
Amount attributable to members of Aaronson Bros. Limited	1,211	492
		2,221

An Interim Dividend on the Ordinary Share Capital on account of the year ending 30th September, 1977 of 0.61p per Ordinary Share (1976: 0.55p) amounting to £118,478 (1976: £106,825) will be paid on the 7th October, 1977. Dividend Warrants will be posted on 5th October 1977 to all shareholders registered at the close of business on 7th September, 1977.

## Business Diary: Sime's Scott • On with the dance

than three months after appointment to the main board of Dunlop, 45-year-old former Jim Scott, was whisked away in a deft of head-hunting by Sime the Far Eastern trading

has been "prospect" appointed chief with a view to taking over the executive duties of Tan Tan Siew Sin, ex-Malaysian Finance Minister, who became chairman last year's bitter board

responsibilities will, so include helping to repair the damage done to image in the west by the alighting which led in former chairman lawyer's departure last

involvement, Tony Summer, has been director of operations since then is moving over one managing director of Darby's western internal division,

meeting yesterday in fore, was until four years managing director of Dunlop's Malaysian interests and made no secret of his liking for Far East. Dunlop, Scott's years for 20 years, are not harbouring no hard

re is much elation, not to relief, at the move, which is moving over one managing director of Darby's western internal division,

Norman Collins, widely regarded as the prophet and architect of commercial television, is to retire from the board of Associated Television Network in October, although he will remain on the board of the parent company ATV Corporation.

Like Lord Grade, who is to step down as chairman of ATV Network, Collins is obliged, by the franchise of the Independent Broadcasting Authority, to retire at 70.

Appropriately, perhaps, next month Thames Television begins a seven-part serialisation of his perennial best-seller *London Belongs To Me*. Collins has combined successful careers in writing and broadcasting since taking his first job as a clerk at Oxford University Press at the age of 18. Another novel, his fourteenth, is expected to be published in the spring. And Collins still finds time for hobbies as diverse as painting and Loch Ness monster hunting.

Via Victor Gollancz and the *News Chronicle*, Collins went to the BBC where he became Controller of Television.

In 1950 he resigned, frustrated by the BBC's attitude towards the development of television and determined to have "a genuine bash at breaking the corporation's stranglehold".

Working from a cramped office in Covent Garden, living partly from the proceeds of his novels and the salary from a small electronics company he had founded, cashing in life assurance policies when tax demands pressed, he began a campaign which caused one critic to label him "a vulture hovering over the BBC".

Early on he decided that the authorities had to be shown there was a body of men willing and able to provide commercial television. In 1952, at the Reform Club, that body of men was brought together—Collins, Sir Robert Renwick, Viscount Duncannon, Sir Alexander



Coming soon—London Belongs To Me by Norman Collins.

Altkman, Sir Alexander Korda and Charles Stanley.

Collins recalls that the name Associated Broadcasting Company was chosen so that, eventually, it would appear alphabetically above the BBC in newspaper schedules. It did not, however, satisfy the Board of Trade, which in deference to the BBC, demanded that "Development" be inserted in the name.

Out of ABDC and Incorporated Television, headed by Messrs Lintier, Farnell and Grade, ATV was born. "to the eternal betterment of both", says Collins.

Wells at the end of this month? Bulmer has no trading links with Korea and has, indeed, only just got as far as selling sparkling apple juice drinks to the Arabs. The Koreans, their embassy solemnly allowed, had not actually heard of cider before Bulmer's offered to guarantee

them up to £5,000. Koreans as being the most interesting and different thing in the programme", said Bulmer's marketing director, "and one that there might have been some reluctance to promote on the part of others. No doubt, during the season we will introduce the dancers and embassy officials to cider, but there was no ulterior motive involved."

It appears Taiwan is no longer "A-1 at Lloyd's". The national Chinese stronghold has been demoted to provincial status by Lloyd's Register of Shipping, after being accorded an entry as a fully-fledged state in its annual report published last March.

In its latest "Casualty Return" put out today, Lloyd's describes the island as "Province of Taiwan" immediately beneath an entry reading "China, People's Republic of".

A delegation from Lloyd's visited "China, People's Republic of" in May to discuss an agreement on cooperation. The trip was reported to have been "fruitful".

However, yesterday a register spokesman said the change had been made to bring the entry in line with government policy as laid down in a communiqué of 1972.

None of us can escape the blight of an occasional misprint, so perhaps one should not be too hard on The Grocer, bible of the food retailing business, which in its present issue reports: "While the dispute is on, other bachelors' incomes may be in some way reduced in short supply in some areas".

## NOTICE OF REDEMPTION

To the Holders of  
Esso Overseas Finance N.V.  
9% Guaranteed Debentures Due 1985

NOTICE IS HEREBY GIVEN that, pursuant to the provisions of the Indenture dated as of September 15, 1970 providing for the above Debentures, said Debentures aggregating £2,000,000 principal amount have been selected for redemption on September 15, 1977, through operation of the Sinking Fund, at the redemption price of 100% of the principal amount thereof, together with accrued interest to said date. Of the amount to be redeemed £1,000,000 represents satisfaction of the mandatory Sinking Fund requirement and £1,000,000 represents election by the Company to make an optional additional Sinking Fund payment. The serial numbers of the Debentures selected for redemption are as follows:

## DEBENTURES OF £1,000 EACH

1	1234	2456	3678	4890	5012	6234	7456	8678	9890	1012	1134	1256	1378	1490	1512	1634	1756	1878	1990	2012	2134	2256	2378	2490	2512	2634	2756	2878	2990	3012	3134	3256	3378	3490	3512	3634	3756	3878	3990	4012	4134	4256	4378	4490	4512	4634	4756	4878	4990	5012	5134	5256	5378	5490	5512	5634	5756	5878	5990	6012	6134	6256	6378	6490	6512	6634	6756	6878	6990	7012	7134	7256	7378	7490	7512	7634	7756	7878	7990	8012	8134	8256	8378	8490	8512	8634	8756	8878	8990	9012	9134	9256	9378	9490	9512	9634	9756	9878	9990	10012	10134	10256	10378	10490	10512	10634	10756	10878	10990	11012	11134	11256	11378	11490	11512	11634	11756	11878	11990	12012	12134	12256	12378	12490	12512	12634	12756	12878	12990	13012	13134	13256	13378	13490	13512	13634	13756	13878	13990	14012	14134	14256	14378	14490	14512	14634	14756	14878	14990	15012	15134	15256	15378	15490	15512	15634	15756	15878	15990	16012	16134	16256	16378	16490	16512	16634	16756	16878	16990	17012	17134	17256	17378	17490	17512	17634	17756	17878	17990	18012	18134	18256	18378	18490	18512	18634	18756	18878	18990	19012	19134	19256	19378	19490	19512	19634	19756	19878	19990	20012	20134	20256	20378	20490	20512	20634	20756	20878	20990	21012	21134	21256	21378	21490	21512	21634	21756	21878	21990	22012	22134	22256	22378	22490	22512	22634	22756	22878	22990	23012	23134	23256	23378	23490	23512	23634	23756	23878	23990	24012	24134	24256	24378	24490	24512	24634	24756	24878	24990	25012	25134	25256	25378	25490	25512	25634	25756	25878	25990	26012	26134	26256	26378	26490	26512	26634	26756	26878	26990	27012	27134	27256	27378	27490	27512	27634	27756	27878	27990	28012	28134	28256	28378	28490	28512	28634	28756	28878	28990	29012	29134	29256	29378	29490	29512	29634	29756	29878	29990	30012	30134	30256	30378	30490	30512	30634	30756	30878	30990	31012	31134	31256	31378	31490	31512	31634	31756	31878	31990	32012	32134	32256	32378	32490	32512	32634	32756	32878	32990	33012	33134	33256	33378	33490	33512	33634	33756	33878	33990	34012	34134	34256	34378	34490	34512	34634	34756	34878	34990	35012	35134	35256	35378	35490	35512	35634	35756	35878	35990	36012	36134	36256	36378	36490	36512	36634	36756	36878	36990	37012	37134	37256	37378	37490	37512	37634	37756	37878	37990	38012	38134	38256	38378	38490	38512	38634	38756	38878	38990	39012	39134	39256	39378	39490	39512	39634	39756	39878	39990	40012	40134	40256	40378	40490	40512	40634	40756	40878	40990	41012	41134	41256	41378	41490	41512	41634	41756	41878	41990	42012	42134	42256	42378	42490	42512	42634	42756	42878	42990	43012	43134	43256	43378	43490	43512	43634	43756	43878	43990	44012	44134	44256	44378	44490	44512	44634	44756	44878	44990	45012	45134	45256	45378	45490	45512	45634	45756	45878	45990	46012	46134	46256	46378	46490	46512	46634	46756	46878	46990	47012	47134	47256	47378	47490	47512	47634	47756	47878	47990	48012	48134	48256	48378	48490	48512	48634	48756	48878	48990	49012	49134	49256	49378	49490	49512	49634	49756	49878	49990	50012	50134	50256	50378	50490	50512	50634	50756	50878	50990	51012	51134	51256	51378	51490	51512	51634	51756	51878	51990	52012	52134	52256	52378	52490	52512	52634	52756	52878	52990	53012	53134	53256	53378	53490	53512	53634	53756	53878	53990	54012	54134	54256	54378	54490	54512	54634	54756	54878	54990	55012	55134	55256	55378	55490	55512	55634	55756	55878	55990	56012	56134	56256	56378	56490	56512	56634	56756	56878	56990	57012	57134	57256	57378	57490	57512	57634	57756	57878	57990	58012	58134	58256	58378	58490	58512	58634	58756	58878	58990	59012	59134	59256	59378	59490	59512	59634	59756	59878	59990	60012	60134	60256	60378	60490	60512	60634	60756	60878	60990	61012	61134	61256	61378	61490	61512	61634	61756	61878	61990	62012	62134	62256	62378	62490	62512	62634	62756	62878	62990	63012	63134	63256	63378	63490	63512	63634	63756	63878	63990	64012	64134	64256	64378	64490	64512	64634	64756	64878	64990	65012	65134	65256	65378	65490	65512	65634	65756	65878	65990	66012	66134	66256	66378	66490	66512	66634	66756	66878	66990	67012	67134	67256	67378	67490	67512	67634	67756	67878	67990	68012	68134	68256	68378	68490	68512	68634	68756	68878	68990	69012	69134	69256	69378	69490	69512	69634	69756	69878	69990	70012	70134	70256	70378	70490	70512	70634	70756	70878	70990	71012	71134	71256	71378	71490	71512	71634	71756	71878	71990	72012	72134	72256	72378	72490	72512	72634	72756	72878	72990	73012	73134	73256	73378	73490	73512	73634	73756	73878	73990	74012	74134	74256	74378	74490	74512	74634	74756	74878	74990	75012	75134	75256	75378	75490	75512	75634	75756	75878	75990	76012	76134	76256	76378	76490	76512	76634	76756	76878	76990	77012	77134	77256	77378	77490	77512	77634	77756	77878	77990	78012	78134	78256	78378	78490	78512	78634	78756	78878	78990	79012	79134	79256	79378	79490	79512	79634	79756	79878	79990	80012	80134	80256	80378	80490	80512	80634	80756	80878	80990	81012	81134	81256	81378	81490	81512	81634	81756	81878	81990	82012	82134	82256	82378	82490	82512	82634	82756	82878	82990	83012	83134	83256	83378	83490	83512	83634	83756	83878	83990	84012	84134	84256	84378	84490	84512	84634	84756	84878	84990	850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§ Forward bargains are permitted on two previous days.

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Friday August 12 1977  
No 60,080  
Price fifteen pence

# THE TIMES

Putting vitality  
back into  
Parliament, page 12

## The Queen appeals to Ulster for spirit of friendship

Queen appealed to all the people of Northern Ireland yesterday to forget the past and work together in a spirit of friendship and forgiveness. Her message was delivered at the New University of Ulster, Coleraine, which she visited despite a Provisional IRA warning that bombs had been placed there. A thorough search revealed nothing. The Queen later sailed away to take a holiday at Balmoral.

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## 'No place here for old fears'

Christopher Walker and Godfrey

Queen's silver jubilee of the United Kingdom to a close last night as royal yacht Britannia left the Irish waters with its and critics fulfilled. The controversial royal visit to Northern Ireland ended triumphantly for the British and with much less loss of life than the IRA had hoped for. The Queen's visit to the New University of Ulster, Coleraine, was a triumph for the British and a defeat for the IRA. The Queen's visit to the New University of Ulster, Coleraine, was a triumph for the British and a defeat for the IRA. The Queen's visit to the New University of Ulster, Coleraine, was a triumph for the British and a defeat for the IRA.



The Queen making her plea for peace.

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## Transport workers to fight 12-month pay rule

By Tim Jones

Government hopes of sustaining the 12-month rule on pay claims as the TUC congress, which has been staunchly backed by the TUC's powerful economic committee. Although more than 10 million workers have accepted phase two arrangements, the transport workers' decision will encourage those unions who have deferred settlements in the hope of securing more money by free collective bargaining.

Mr Len Murray, general secretary of the TUC, and his colleagues on the economic committee are clearly hoping that next month's congress will ratify the 12-month rule and isolate the few unions seeking to ignore it. The transport workers' decision may have an effect throughout the union movement. It might destroy the general council's hopes of restraining pay claims and open the way for wage increases well in excess of government guidelines.

After yesterday's meeting of the union's finance and general purposes committee a letter was sent to all regional secretaries and officers of the union. It said: "In clarification of previous statements the finance and general purposes committee have asked you to point out that it has been made clear publicly that the union would be opposing the 12-month rule at the TUC in September, and you can be assured that our union delegation will be recommended to support any motion at congress which opposes any wage restraint, including the 12-month rule at the date of congress."

The letter, signed by Mr Jones, added: "The decision of the committee is that as an affiliate to the TUC we are obliged to act in accordance with TUC policy whilst of course doing everything possible to change the general council's rigid insistence on the 12-month rule at the forthcoming congress."

## Divisions within BBC management over backing for pay policy

By a Staff Reporter

The BBC's decision not to break the Government's pay policy, as reported in The Times yesterday, was preceded by internal discussion at the highest level in the corporation. It is thought that divisions within the BBC on how to respond to staff demands for a pay rise that in some cases might have involved earnings increases of 45 per cent, went up to board level.

The fact that the Government seems to have won the day in spite of such reservations within the BBC management about the consequences of refusing demands is a measure of the intense pressure the Cabinet ministers applied. One minister is thought to have told a senior BBC official that the corporation's last big rise tipped the balance towards the pay explosion, which was stopped only by the introduction of the 15 limit in 1975.

The fact that the chairman of the board of governors, Sir Michael Swann, has spoken of the possibility of a strike might indicate that such action is regarded as quite possible. One factor that may make the management willing to contemplate a strike with equal vigour is the realization that it might be possible to run a service of repeats and pre-recorded programmes with a small number of people.

It is thought that a micro-wave link between the television centre, in Wood Lane, and the BBC's new transmission centre, in Crystal Palace, might be used to provide a link-up of transmitters throughout the country. That would give UHF coverage to those able to receive it, now thought to be well over nine tenths of the population.

Some governors, including the national governors for Scotland and Wales, are thought at least to have put the case for extending the 10 per cent limit on earnings. It is argued that the gap between BBC pay and that in the commercial companies is so large that staff will drift inexorably from one to the other.

Some senior managers are known to have felt that it would be better to cut back on programmes rather than try to hold wages down to an unacceptable level. The key test of how far the governors and management are prepared to go in supporting the pay policy will come this year. There may be some willingness to absorb part or all of the employee pension contribution, which would be within government guidelines but would also increase take-home pay.

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## Customs explain Britain's high cost of collecting VAT

By Malcolm Brown

In its first report, published yesterday, the Committee of Public Accounts points out that the proportionate cost of collecting value-added tax in the United Kingdom appears to be "appreciably higher" than in comparable EEC countries. The number of staff employed in proportion to the number of traders is also higher.

But the Department of Customs and Excise told the committee that the disparities in cost were mainly due to the United Kingdom's lower average rate of use of zero-rating which reduced tax yield without comparable savings in administrative costs. The committee reveals that Customs and Excise had obtained more than 500 VAT search warrants since the tax was introduced in 1973, and the additional revenue resulting from this amounted to some £4.7m.

In a memorandum to the committee the Customs and Excise said that a total of 533 warrants had been obtained up to March 31 this year and 498 had been used. The over-whelming majority of these had provided evidence of fraud. The 15 resulting prosecutions completed so far had raised an additional £207,000, and an additional £228,000 had been raised through allowing compensating out-of-court settlements in 35 cases. Of cases not yet completed 45 had revealed known arrears of £2.6m and the estimated arrears in a further 111 cases was £2.5m.

The committee suggests that the time is now right for a departmental review of the tax to see whether there is room for further administrative improvements and a reduction in the burden of costs of traders. It expresses concern at the build-up of arrears. The Customs and Excise provided the committee with figures on the progress in collection of the £12,652m tax reported as due for the three years ended March 31, 1976. At September 30, 1976, some £124m was still outstanding, of which £47m had been outstanding for at least 11 years. By December of the same year the arrears had been reduced to £105m, including £43m outstanding for at least 11 years.

Queen's speech in full and Ulster diary, page 2

Other PAC findings, pages 2 and 15

## 'puter action' expected ay holiday flights

Small due to the fact that the airport today is expected to be closed for up to two periods as air assistants begin a strike. The union has threatened to continue the action indefinitely and is considering a national strike of assistants to coincide with the late summer Bank holiday weekend.

Union officials said last night that air traffic control assistants would be asked to join a strong recommendation from the executive committee for all 850 assistants from midnight on August 25 to midnight on August 29. That would be supported by further action if there were no favourable response from the management.

## Prospect of cut in lending rate

A further cut in the Bank of England's minimum lending rate, to 7 per cent, seems likely this afternoon unless officials choose to act independently of market forces. A reduction may encourage the clearing banks to lower their base rates next week and the building societies, expected today to announce cuttings of around £325m for July, would be under additional pressure to reduce mortgage interest rates.

## 'Son of Sam' arrest relieves New York

New Yorkers heaved a sigh of relief at the news of the arrest of a man claimed to be the 'Son of Sam', whose murder of young couples in parked cars led to one of the biggest manhunts in the city's history.

## Pope rebukes rebel

The Pope has stopped his correspondence with Mgr Marcel Lefebvre until the rebellious French traditionalist writes to him in a spirit of complete obedience. The Vatican called Mgr Lefebvre's recent conduct unjustifiable and censured him for making excommunication seem increasingly probable.

## Ladywood campaign

Although prices and unemployment are important issues in the campaign for next Thursday's by-election at Birmingham, Ladywood, poor local living conditions are seen as the greatest matter of concern by the candidates of the main parties.

## Panama pact at risk

The new Panama Canal treaty, which would give the Panamanians full control of the waterway by the end of the century, faces an uphill battle in the American Senate where a two-thirds majority is required for ratification.

## Israel stays hopeful

The gloom shared by the Arabs and Mr Vance, the American Secretary of State, about failures to narrow Middle East disagreements, does not extend to Mr Begin, the Israeli Prime Minister. He gave his Cabinet a sanguine report on his talks with Mr Vance.

## Apple cost defended

Mr Fraser, Minister of State for Prices and Consumer Protection, said he was certain that there was no profiteering in apples, which have been costing up to 40p a pound. He had met wholesalers and retailers on a visit to New Covent Garden Market, London.

WCO CONFERENCE IN MONTREAL

## Michelin of London

London at last merits a Michelin Green Guide in English. The first edition is especially written for English readers and tastes. It gives the city 15 stars rated with three stars as "highly recommended", compared with nine in Paris and 10 in New York.

## Where in the world will you find Standard Chartered?

How many full branches does your bank have in Singapore? The Chartered Bank has 20, and has been established there for over 100 years.

Standard Chartered Bank Limited  
helps you throughout the world

## Pupils show 'appalling' ignorance of politics

By a Staff Reporter

A "truly appalling" lack of political awareness among secondary school-leavers has emerged from a survey by the Hansard Society, according to Professor Bernard Crick, Professor of Politics at Birkbeck College, London University.

In his introduction to a report of the survey, Professor Crick says that the situation disclosed is perhaps sensational in that almost half the young people taking part thought that the House of Commons made all the important decisions about the running of the country, and 44 per cent thought the IRA was a Freemason organization. The survey was conducted in a carefully balanced cross-section of the school population in 72 schools selected at random. About four thousand children took part, regardless of ability.

The questions were fairly subtle. Pupils taking part in the survey were asked at one point whether it was true or false that a backbench MP is any member of Parliament who is not a government minister. Half said it was true, which according to the survey compilers is the wrong answer. Half said it was true that a government minister must have previous experience which the compilers said was wrong, and half said it was not true that the Prime Minister is the one who can choose to call an election, and they were given no marks for that either.

Such replies led the survey compilers to comment on a lack of awareness of some of the realities of contemporary British politics. With the 49 per cent who felt that Parliament made all the important decisions, 41 per cent said that Parliament's most important function was to make laws. The compilers do not indicate the right answers in that section but refer to the "realistic" attitude held by a minority of young people that the primary function of Parliament is as a "talking shop" and a reservoir of people from whom the Government is chosen.

On party politics, 38 per cent thought it was Labour policy to cut taxes as soon as possible ("wrong", according to the survey); while the view that workers and management should cooperate as partners in industry was attributed (again "wrong") by 24 per cent to the Conservative Party and 44 per cent to the Labour Party. Only 27 per cent "correctly" identified it as an exclusively Liberal policy, and the compilers comment: "Clearly there is a good deal of ignorance of some of the issues which divide the political parties."

Only 18 per cent gave the "correct" identification of the statement "infliction can only be done by the military". Liberal policy, though the compilers do not quote their authority for that summary of the Liberal position. Professor Crick concludes that the survey makes the case for more systematic political education in schools. "A most cursory glance at the tables will show that the extent of political awareness among this group is truly appalling," he adds. "It is fair to say that it is only a little more appalling than that of the mass of the ordinary population."

Continued on page 2, col 3

## Saudi flogging for Dutchman

Rotterdam, Aug 11.—Jan Pannekoek, a Dutch tugboat captain who broke Saudi Arabia's prohibition laws by failing to seal his drinks cupboard, has been sentenced to 200 strokes with a cane and 10 months in prison by a judge in the port of Dammam. The Rotterdam newspaper De Telegraaf reported today.—Agence France-Presse & UPI.





# How to give an executive a £2,000 rise without the Inland Revenue noticing.

If you're a managing director, the problems of rewarding your overtaxed executives are only too familiar.

Yet there's one solution you may not have considered, which arises from the Inland Revenue's new company car tax rules.

Take the case of an executive with a typical company car like a 2 litre Ford Cortina.

Instead of increasing his salary, you could give him another £2,000 worth of motor car. Without adding to his tax bill.

All you have to do is to give him a new Audi 100.

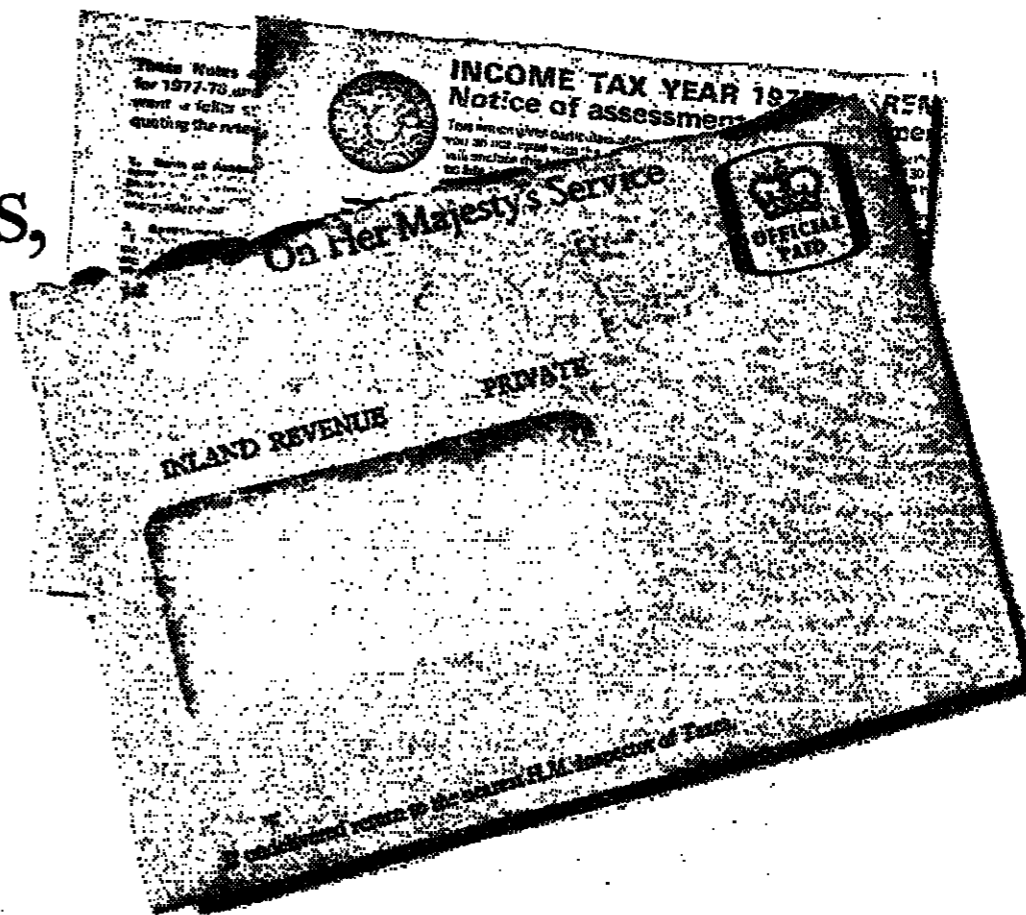
For in the eyes of the Inland Revenue, the Audi 100 is in the same tax class as the Ford Cortina, and his tax rate for his company car remains at £350.

And if you order the car during August or September your Audi dealer will give you a loan at a much lower interest rate than even your bank.

It's only fair to point out that the Inland Revenue don't insist that you choose an Audi. Any 2 litre car will satisfy them. Though it may not be so satisfactory to your executives.

After all, many people who previously drove Jaguars, Daimlers, BMWs, Mercedes, and even the occasional Rolls Royce, are now happily driving our car.

It will be nice to have some Cortina drivers as our friends, too.



The new Audi 100 won't get you any threatening letters.



# Clergyman hauled from path of bulldozer

Controversy continues over the participation in yesterday's protest demonstration of Mrs. Judy Williams, wife of a United States consular official in Cape Town. Mrs. Williams has admitted she went to the camp to see a family she knew but said her husband was not aware of this. She denied she had been involved in plans to form a human barrier against demolition vehicles.



home from a discotheque, one being killed. In seven subsequent attacks the victims were nearly always young women and men in parked cars.

As a precautionary measure, police had begun clearing cars out of streets known to be used as "lovers lanes".

The New York press—notably the two tabloid papers, the *Daily News* and the *Post*, had

But the alarm provoked by the newspaper and television coverage certainly drove the police harder and although the people of New York are unlikely to "rest easy tonight", as Mr Abraam Beame, the mayor, predicted, one can certainly detect a feeling of relief.

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Room for an American-sponsored peace plan to end the fighting in his country. "It has to be a Rhodesian plan or a Marxist plan", he said.—UPL

EVERY PACKET CARRIES A GOVERNMENT HEALTH WARNING

## OVERSEAS

## Panama Canal treaty likely to face an uphill fight in Senate

From David Cross

Washington, Aug 11

American negotiators were today briefing President Carter on details of a new Panama Canal agreement which will give the Panamanians full control over the 30-mile waterway by the end of the century. Mr. Carter now faces an uphill struggle to secure the two-thirds majority he needs in the Senate to ratify the new arrangements.

The final agreement in principle came last night after three days of intensive negotiations between American and Panamanian negotiators in Panama City. After the chief United States negotiator, David E. Bonior, and the chief Panamanian negotiator, Mr. Eladio Villarreal, agreed on the outcome as a "significant step" towards the long-awaited goal of establishing a new and mutually beneficial relationship between the two countries.

Although precise details have not yet been officially disclosed, President Carter is expected to announce the new treaty by the end of the week. The United States is understood to have agreed to pay Panama \$500m (nearly £300m) over the next 10 years for the right to use the canal. One year's instalment represents almost as much as the total payments made by the United States since the canal opened under American jurisdiction in 1914.

In addition, the Americans are offering a long-term economic and military aid package worth nearly \$550m. These financial arrangements, which have been the subject of much controversy, are considered less generous than the terms offered to the Panamanians by the United States in its present annual contribution of a paltry \$22m.

The United States would retain a military presence in the Canal Zone until the Panamanians assume full jurisdiction. But some bones would probably be transferred to Panama together with two-thirds of the Canal Zone's territory when the treaty came into operation.

Until 1969, primary responsibility for operating the canal would remain in American hands. A Panamanian administrator would then take over. There would also be provisions to ensure the "permanence" of the American presence and guarantee the American canal vessels and warships could always pass through unimpeded.

When finishing touches have been put to the agreement, the treaty will be submitted to the Senate for final approval. Panamanian ratification will be by referendum.

A two-thirds majority in the Senate is by no means a foregone conclusion. During last year's Republican presidential primaries, Mr. Ronald Reagan won loud approval when he described the Panama Canal talks as a "secret giveaway." His popular battle cry was: "We built it, it is ours and we intend to keep it."

where anti-Castro forces backed by the United States invaded Cuba in 1961.

Mr. Church and Dr. Castro said one subject they would probably discuss was the question of about 20 Americans in Cuban jails, seven of them for crimes against the state.

The warm welcome given Mr. Church by President Castro, who invited him to Cuba, was a prelude to next month's exchange of diplomatic missions.

Asked about a possible visit by him to the United States, Dr. Castro said: "If you speak about money, that's unlikely, but if you speak about years, that's possible, but unlikely. If you speak about five years, that's both possible and probable."

Dr. Castro said he and Senator Church had not discussed United States investigations into attempts by the Central Intelligence Agency to assassinate him. Mr. Church last year chaired a Senate inquiry of CIA plans to kill the Cuban leader.

Dr. Castro did not give details of the information that Cuba had received. He was speaking during a break in a tour of central Cuba, where Senator Church, who is visiting from the United States, is staying at the Hotel Nacional.

During the tour Senator Church was shown the Bay of Pigs

Recent soundings among the 100 senators suggest that about half of them would probably ratify a new treaty along the lines of last night's agreement. Another 25 or so would object with the remainder probably still uncommitted.

In an attempt to secure the support of the waverers in the Senate, President Carter sent personal telegrams to all 535 members of Congress earlier this week pledging that this effort "to show the public that the treaty will advance 'our legitimate national security interests'."

Calling for their approval of the treaty, the President said he believed Congress would be "gratified" by the outcome of the negotiations. "I believe the public will find we have achieved much more than had been expected," he added.

Messages were sent to members of the House of Representatives because their approval would be needed for financial aspects of the treaty. Like the Senate, the Lower House contains many sceptics really opposed to the transfer of the canal's jurisdiction.

If the treaty can be ratified, the State Department will breathe a heavy sigh of relief. Negotiations have been going on for 13 years since four Americans and 20 Panamanians were killed in a riot over the flying of the Panamanian flag in the Canal Zone.

Ironically, the waterway can only be used by about 1,300 ships throughout the world. Because of this, President Carter has disclosed that American experts are again looking at the possibility of enlarging the canal or building a new one to accommodate much larger vessels.

Panama City: Leftist and nationalist groups in Panama are planning to campaign against the new treaty on the grounds that too many concessions have been made to Washington.

These groups are particularly incensed that, despite the official anti-American rhetoric of recent years, Panama has agreed to allow American troops to remain in the Canal Zone until the year 2000 and granted Washington the right to intervene to defend the Canal's "neutrality" after the new treaty expires.

Brigadier General Omar Torrijos Herrera, the Panamanian leader, is nevertheless expected to win approval of the new treaty in the plebiscite because of his control of the media and the deportation in recent years of his leading opponents.

Observers here felt that the most controversial feature of the new agreement was the bilateral protocol to be signed by Panama and the United States guaranteeing the "neutrality" of the Canal after the year 2000. Although ratification by the United States Senate was considered unlikely without this provision, it was seen by many Panamanians as a new formula for the return of the Canal to the United States.

The new treaty gives the United States control over the Canal and the 533 square miles of the Canal Zone "in perpetuity."

New York Times News Service.

## Exiles' invasion plans passed to Cuba by US

Havana, Aug 11.—The United States Government has cooperated with Cuba to help defeat plans by Cuban exiles in America to attack the island, President Castro has disclosed.

Speaking to journalists yesterday, he said that the United States had given Cuba information about the activities of anti-communist Cuban exiles in the United States.

"I believe this is the least the American Government can do, because no country may allow terrorist attacks to be prepared on its territory against another country. We would like the same if, for instance, there was a group of north Americans here planning to make a piratical attack on the United States."

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## Victim dropped in well

Bangkok, Aug 11.—A Thai motorist has been jailed for 50 years for killing a pedestrian by dropping him into a well after knocking him down in a road accident.

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Toyoko Onsen, a holiday resort in north Japan, has become a deserted town since Mount Usu started to erupt.

## Volcanic ghost town of Japan

Toyoko Onsen, Japan, Aug 11.—On Sunday this was a bustling summer resort community of more than 5,000 people. By Tuesday, it was a ghost town.

Mount Usu, a 2,385ft volcano overlooking the town, has come to life again. In the past three days, two new craters each about the size of a football field, have opened out millions of tons of rocks, sand, sludge and ash, turning large areas of the rich agricultural island of Hokkaido into a lifeless grey.

So far, a downwind swath is affected, including 119 towns and cities. Every breeze carries the dust and damage farther.

Because of the prompt evacuation of more than 10,000 residents and the departure of additional thousands of tourists, there have been no deaths.

New York Times News Service.

## Coca-Cola admits it paid bribes

Washington, Aug 11.—Several hundred large American companies have now admitted making questionable foreign payments to politicians and governments, so the announcement here that Coca-Cola has paid bribes in the past six years is hardly a surprise.

Coca-Cola confirmed in a report to the Securities and Exchange Commission that it made illegal or improper payments totalling \$1.3m (£760,000) in the past six years.

The report says the company now goes into the commission's archives and it is unlikely that any action will be taken against the firm. It has promised to cease such payments.

This is not to suggest, however, that the commission is relaxing its enforcement of the law which uncovered multi-million dollar foreign bribes by such companies as Lockheed, Exxon and Gulf Oil, is now preparing what informed sources describe as possibly its largest bribery case.

A thorough investigation is now believed to be close to completion by the commission and the Department of Justice into payments made by International Telephone and Telegraph (ITT) to a host of foreign governments. Behind the scenes, according to the sources, the top executives of ITT are waging a fierce legal battle to prevent the authorities from obtaining key documents from some of the company's foreign subsidiaries.

West Bengal—have during 20 years of legislative effort been subject to official protection and various forms of advancement. Yet many still perform the most unpleasant tasks in society, as the caste system sanctions, and only an elite has escaped.

One vulnerable aspect of the Government's position is that while Mr. Jayprakash Narayan, the Defence Minister, is the generally accepted political leader of the Harijans, Mr. Chauru Singh, the Home Minister and his rival, has his power base in the caste Hindu farm-owning class of northern India.

One incident last May in a remote Bihar village was kept quiet for one week. It demonstrates the force of hatred felt by traditional-minded caste Hindus for the Harijans.

About 50 armed men attacked the village of Belchi and, after shooting one Harijan on his doorstep, rounded up seven others and tied them to

reported. Damage to private and public property, farmland, crops ready for harvest, buildings, businesses, wildlife and timber resources is expected to exceed \$60m (£32m), officials say.

Mr. Yoshino Tazawa, director-general of the National Land Agency, toured the area and said he was surprised at the extent of the destruction. A full governmental ministerial meeting is planned later this week on specific relief efforts.

With sharp earthquakes continuing every few minutes here and further eruptions possible, the Army and police have cordoned off the hardest hit area, which can be reached only by back roads where volcanic dirt and ash fell knee-deep in places.

To visit the area of Lake Tora, which was famed for its lush wilderness in a heavily urbanized country, is suddenly to enter a desolate monochrome world where all colour has been bleached out and everything is white or grey. Lights are necessary here even at midday to see through the clouds of dust.

New York Times News Service.

## Saharan nationalists seek Carter support

From Harry Debellus  
Algiers, Aug 11.—Nationalist forces fighting to win back their Western Sahara homeland from Morocco and Mauritania have appealed to President Carter for diplomatic support, Mr. Bashir Mustafa, the deputy secretary-general of the Polisario Front told me in a desert refugee camp about a thousand miles south-west of here.

Mr. Mustafa, a lanky, soft-spoken man of 27, sat with me in a desert dweller's tent near the Algerian town of Tindouf last Monday. He said that after initial contacts with American Congressmen and Mr. Philip Habib, Washington's Deputy Assistant Secretary for Political Affairs, a Polisario representative recently handed a note for President Carter to Mr. Andrew Young, the American representative at the United Nations.

The United States had to fight for its independence too," Mr. Mustafa said. He claimed that there was a real desert war, that the hit-and-run desert war, would intensify. It began shortly before Spain withdrew from its Saharan colony and handed it over to Moroccan and Mauritania control in 1975.

His fear that the war would escalate recalled a remark which Mr. Ibrahim Gail, Polisario's "Minister of Foreign Affairs," made at a news conference on a rocky hilltop inside the disputed territory of the Saharans. Behind the scenes, according to the sources, the top executives of ITT are waging a fierce legal battle to prevent the authorities from obtaining key documents from some of the company's foreign subsidiaries.

Mr. Gail claimed that about 20,000 Moroccan troops were massing along the frontier with Algeria near Tindouf, and that he suspected the Moroccans

a blazing mound of wood and cow dung as an "example". The Bihar State Government, after a swift inquiry, pronounced that there were no communal or political overtones, and described the episode as a gang warfare. Two policemen stationed less than three miles from Belchi, who had taken no action, have been transferred. Belchi Harijans have been threatened with "reprisals".

In Gujarat, the state government has promised a judicial inquiry into the recent killing of a young Untouchable married to a caste Hindu girl from the same village. According to reports, he was first stoned by an angry crowd when he returned to the village, accompanied by two policemen, whom he had requested for his protection, but who took no apparent action. After seeking refuge in a house he was dragged to the

## First free flight of space shuttle today

From Michael Hingon

Washington, Aug 11

America's shuttle orbiter Enterprise will make its first free flight tomorrow morning. High up over the California desert, it will separate from the Boeing 747 carrier aircraft, on whose back it has been clamped since tests began, and glide down without power to land at Edwards Air Force base.

The 75-ton orbiter and its two pilots will be carried up to 22,000ft by the 747 and, at the given moment, explosive bolts will be fired to release it. It will then perform a series of turns and manoeuvres, and five minutes 40 seconds later the stubby winged rocket will touch down at 112 miles an hour. On the success of tomorrow's flight depends virtually the whole of America's future space programme.

The flight is considerably more difficult than all the previous captive tests, all of which have gone without a hitch. At the moment of separation, the 747 will suddenly pitch downwards and to the left while the orbiter pitches up and to the right, leaving a separation of 200ft in five seconds. The orbiter pilot will make a U-turn while gliding down to align the spacecraft with the long runway on a dried-up salt lake. But he will not ignite the main engines, and so the craft will have no chance only to make a correct landing.

The orbiter is the workhorse of the space shuttle programme, and is designed to ferry cargo and people up to an orbiting space station. Launched like a rocket, clamped to the side of huge fuel tank and solid rocket boosters, it has three engines of its own and will be able to fly down from the space station by itself, landing on a conventional runway.

About as big as a commercial jet aircraft, the orbiter can be used at least 100 times. The booster rockets, jettisoned in space, will also be recovered and refurbished, and only the fuel tank will be cast away.

The whole operation will therefore be much cheaper than all previous space ventures which used each rocket only once.

Nevertheless, the development of the shuttle has already cost \$4,500m (about £2,547m) and is the most expensive single technology programme in America.

The national Aeronautics and Space Administration is determined to achieve a fleet of five flights within a year. Between 1980 and 1991 it plans some 680 flights.

## Golf

## Watson runs into trouble even before play begins

Pebble Beach, Aug 11.—Only 24

hours before the start of the 72nd

United States Professional Golf

Association championship, the

favourite, Tom Watson, has

run into trouble with the

club about his golf club.

Watson, who has been

told that he cannot use

his usual club, which is

won the Masters and the

Open this year, and has

been told to use a club

which is not his own.

Jack Nicklaus, the PGA

tournament director, said

that Watson's club did not

conform to the rules of

the game because the grooves

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THE ARTS

# More from Rosi on power and corruption

Lucky Luciano (x)  
Gate  
The Greatest (a)  
Empire

Francesco Rosi made *Lucky Luciano* in 1973, between *The Mattei Affair* (1972) and *Il y avait des fleurs* (1975), but it has only previously been shown in this country in a version severely abridged, presumably in an attempt to transform it into a conventional gangster film. Now, however, the Gate Cinema is presenting the film in the full, original English-dubbed version.

*Lucky Luciano* continues Rosi's reflections on power and corruption in Italian politics since the war, which he has pursued through *Salvatore Giuliano*, *Mani sulla città* and *The Mattei Affair*. All four films have developed an individual style of documentary reconstruction; each has been an

autopsy, recounting the events that led up to the violent ends of the bandit Giuliano, the great industrialist Mattei, and the fatal collapse of an apartment block.

Unlike Giuliano and Mattei, Salvatore Lucania, alias Charles "Lucky" Luciano, was spared a violent end. In 1951 he suffered a heart attack as he was meeting a plane at Capodichino airport, and died almost at once. To the end he had eluded the efforts of police of several nations to pinpoint him as the centre of a vast international drug trade.

Lucky Luciano's career had begun 30 years before in the United States, when 40 Mafia chiefs were slaughtered in the notorious "Night of the Sicilian Vespers" of 1931, leaving Luciano at 34 the most powerful figure in the organization. In 1935, however, Thomas E. Dewey, then a young lawyer, managed to jail him for 30 to 50 years on prostitution charges. After serving only nine years of this sentence Luciano was paroled by the same Thomas Dewey, by this time Republican Governor of New York, in recognition vaguely specified services in connection with the Italian occupation of Sicily.

Luciano was deported (quite ceremoniously) the official transport on which he sailed was delayed a couple of days to permit formal farewells of the Mafia community and returned to Italy, which he had left as a child of six. The last years of his life were spent in building up his massive and profitable international drug market.

power, is built in a series of impressionist flashbacks from the embarkation. The second part adopts a more direct chronological sequence, but broadens its field: Luciano now becomes the pivot of the action whose radius takes in the United Nations, the United States Narcotics Bureau, and various other areas of corruption in postwar Italy.

What fascinates Rosi is the machinery of power, the affluence and attractions for mutual benefit between legitimate and criminal power. Dewey's pardon of Luciano has never ceased to excite speculation; was the favour in recognition of contributions to Dewey's election fund, as the policeman Charles Siragusa writes in the film, or because the Mafia provided a valuable ally, a natural enemy of Communism in Italy?

Rosi shows the extent to which the occupying Americans, consciously or not, found themselves in alliance with the Mafia. At the right hand of the American commandant Colonel Politti stood figures like Vito Genovese, one of Luciano's henchmen in 1931, a king of the Italian black market in 1946. This was the world which Luciano inherited on his return to Italy.

Though he is the centre round which the film revolves, Luciano himself remains as elusive as the dead Salvatore Giuliano in Rosi's earlier film. This sober man with the look of an undertaker is never present when a crime is committed, never betrays any criminal knowledge or association.

Like the international forces which anxiously, fruitlessly, search for hard evidence against him, the audience can only sense his power. A figure singularly different from the

ebullient Mattei, he is played by the same actor, Gian Maria Volonte, who succeeds at once in looking remarkably like photographs of the real Luciano, and in exuding a sense of contemplative serpentine, smiling malefaction.

Always choosing his style to suit the moment, Rosi successfully integrates a variety of methods. A scene like the killing of the stool pigeon, Genn Gennini (Rod Steiger) is evidently a tribute to the American gangster films for which Rosi expresses admiration. The Sicilian Vespers are an impressionist nightmare. There are virtuoso setpieces like the services dance at which tipsy American soldiers dance with pretty Italian girls, desperately intent on stuffing themselves with army issue chocolate.

Rosi's characteristic neo-documentary style is dominant. Much of the film is shot on the actual locations. Rosi likes to use real people in their own real-life roles: in *Salvatore Giuliano* the bandit's mother played herself; many of Mattei's colleagues and acquaintances appeared in *The Mattei Affair*. Here the American narcotics agent, Charles Siragusa, who for years pursued Luciano with a doggedness perhaps only explainable by his being a fellow-Sicilian, recreates his own real-life part in the Luciano affair.

Siragusa is not a natural actor; and his awkwardness, his air of reading a police report (and much of the script is based on actual records), gives a strange and unexpected effect. He has, however, a special fascination: his growing awareness that he is held between the two poles of power, that someone is playing cat-and-

mouse with him, pulling him off the case the moment he gets too close to the truth, makes him the real-life prototype of Inspector Roga, the investigator-victim of Rosi's subsequent *Illustrious Corpses*.

Another real-life—or, rather, larger-than-life—personality who appears in his own role is Muhammad Ali, acting out his own biography, *The Greatest*. I have no means of knowing how close this is to the chapter past verse of his actual life story; but for sure this is how Muhammad Ali, formerly Cassius Clay, sees it; and there is obviously psychological, if not necessarily chronological, truth in the account of the racial humiliations of youth and the rewards and revenges brought by fame and power.

The facts hardly matter anyway: Ali is a singular, gigantic, irresistible personality, and turns out to be a fine actor into the bargain ("Why not?" he said at a press lunch afterwards: "I've been acting for 20 years.") If Ali inevitably and properly dominates all, the film which appears in his shadow is a more than competent affair. It is scripted (though Ali of course reworded all his own dialogue) by the veteran Ring Lardner Jr, whose credits include *M.A.S.H.* and was directed by Tom Gries, a director of somewhat deferred promise (*Will Penn, Breakheart Pass*), who died a day or two after finishing this film.

*The Greatest* makes notable use of news film of Ali's actual fights, whose sequence happily builds up a natural dramatic structure. Muhammad Ali evidently recognized that even such pretenses as his could not pass for 15; and the young Cassius Clay is played very credibly by Phillip "Chip" McAllister.

David Robinson



Gian Maria Volonte—contemplative malefactor

## Once a Catholic Royal Court Ned Chaillet

Mary O'Malley, resident writer at the Royal Court, has written a comedy in which the three main characters are called Mary Mooney, Mary McGinty and Mary Gallagher; they share a class at the Our Lady of Fatima Catholic School with dozens of other girls, all called Mary, though only four of them appear and, yes, there is also a phantom 'Maria', who does not appear. In its own independent way the play is about, as already may be clear, virginity, or sex in all its adolescent mysteries. It is also about religion in its mysteries, and the adolescent confusion of sex and religiosity.

Miss O'Malley has gathered together the separate elements in what appears as friendly recollection. The time and place are exact, the school year 1956-57 in Harlesden, and the events of the year make for some sharp contrasts. It is Elvis Presley and Little Richard in opposition to the Mass and school uniforms against the outrageous costumes of boys dressed as "Teds". For the three Marys, however, it is lessons in mortal sin against the lessons of church and their own freshly developed bodies and minds against the teaching of nuns. The nuns do not hesitate to dissect rabbits and point out the reproductive organs, but woe to the girl who asks how the sperm is planted in those other words, politics, communism is explained as something which Our Lady of Fatima made an appearance to combat.

Miss O'Malley's comedy is

sharp, as sure of its targets as the best satire, but more mellow and probably less wounding. Her images are tough, however, even in the contrast of "once a Catholic, always a Catholic," and I would imagine they have the power to offend. What comes through the images, though, is an indictment of education, not simply of the Roman Catholic form of education with its catechism and saints, but of the thorough misunderstandings of students by teachers.

For the innocent Mary Mooney, played with great charm by Jane Carr, her honest questions about sex mark her out as precocious, not backward. Her more informed friends, Mary McGinty and Mary Gallagher, played with conviction and the zeal of adolescence by June Page and Anna Keaveney, make their way more surely, exploring sex with their boyfriends. But, because that sex is sealed with the threat of mortal sin, it cannot be said that early marriage, which Miss Page faces with Daniel Carroll's meticulous Teddy Boy, will be much of a liberation from the school.

Mike Ockrent has staged the play with admirable simplicity; the events in class, in the girls' lavatory and on the sizzling room couch are all watched by a large crucified Christ and a inevitable Virgin Mary. Not just from the girls, but throughout, Mr Ockrent has drawn excellent performances. His nuns, including Pat Heywood, Jeanne Watts and Doreen Keogh, are believable; there is an exact portrayal of a pimpled adolescent from Mike Grady, an added music teacher from John Bostall and the classic Irish priest from John Rogan.

It is a good comedy, affectionately about something important, produced with skill and irreverently funny.

## RPO/Groves Albert Hall/Radio 3

### Max Harrison

Alexander Goehr describes his *Pastorals Op 19*, composed in 1965, as a virtuosic work for brass, although 24 violins and a dozen cellos are also involved and there is some very inventive scoring for percussion. The first half of this piece is a set of variations, while the second is described by the composer as "a sort of choral fugue". One is reminded of Giovanni Gabrieli's brass music in the latter section, but the whole piece is beautifully and convincingly composed for its unusual medium, and received a clear, crisp performance from Sir Charles Groves and the Royal Philharmonic Orchestra. Genuine drama arises from the music's close argument, fully justifying the work's length and recalcitrant textures.

Joaquin Achucarro was the

solist in Schumann's Piano Concerto and he caught much of the work's original freshness. The keyboard part is not a virtuosic one by the standards of later romantic concertos, and the music's lyrical aspect was emphasized throughout by soloists and orchestra. There was some lovely playing in the Andante expressive section of the first movement, for instance, by both Mr Achucarro and the woodwind soloists. The concerto's central Intermezzo was done with charming intimacy, too, but the orchestra could have given more support in the finale. Surprisingly, there was a parallel weakness in Wednesday's other piece, although Tchaikovsky's fifth symphony might seem the last place in need of hectoring up. More intensity scoring for percussion. The first two movements than Sir Charles produced, however, and the Waltz, the third movement, came off best. It sounded light and graceful, and the pitery wind writing in the middle was thrown off with some relish.

Some of the notices on this page are reprinted from yesterday's later editions.



The moon and the misbegotten

## Waif to wanton: the rise of a new Salome

Salome  
Salzburg Festival  
John Higgins

Gunther Schneider-Siemssen's set designs for *Salome* sat in Karajan's desk drawer in Salzburg for nearly 10 years. The two men had decided that Strauss's opera was ideal for the large Festspielhaus, where it had never been performed, and were determined to stage it. They were equally resolved that it should not be put on until the right singer had been found for the title role. She turned up a little over two years ago in the shape of Hildegard Behrens. Karajan heard her during a rehearsal of Wagner in Düsseldorf and signed her at once.

Karajan's Svengali-like powers with certain sopranos are well known. He can take good second division performers and put them on the international scene. It is not done overnight, but Karajan suggests that they are capable of working on a higher level than they had previously applied to and application does the rest. That instinct is one of Karajan's supreme qualities. Few of us who saw Miss Behrens during her brief visit to sing *Leonore* in Covent Garden's *Fidelio* could have guessed at the quality of her first *Salome*.

It is, quite simply, one of the most remarkable Salzburg debuts in years. This *Salome* is not the conventional voluptuous figure flaunting her sexuality before the Tetrarch of Judea and his court. At the beginning Hildegard Behrens offers a pale and lonely, almost waif-like figure lost under the glow of a Near Eastern moon. Schneider-Siemssen's set emphasizes the solitude of life in Judea. Under the right, as Oscar Wilde instructed, a gilded turret leads away to Herod's banquet hall while the rest of the stage is encircled by a plateau like the prow of some oriental ship. Dead centre is the cistern with its green bronze cover keeping John the Baptist in captivity. The style is that of a Karajan/Schneider-Siemssen Ring here, but a minutely observed lighting plan has added a sense of seriousness. Immediately the cur-

tain goes up there are hints on stage and the orchestra of tensions about to snap.

In these expanses *Salome* is dwarfed. She, not the moon, is the "kleine Prinzessin" described by Nabarro at the beginning of the opera. She is as remote as that planet, an adolescent Titan who has eyes for no one because everyone has eyes for her. Miss Behrens and Herbert von Karajan together trace in the most delicate detail of *Salome*'s awakening. She lives, like some exotic butterfly, for only a few hours. She is aroused by the voice of John the Baptist (Jose van Dam, superbly sonorous down in his cistern and rather less impressive out of it). She is entranced by him and yet yet he cannot not for her; like a good prophet his gaze is fixed on the wide moonlit void.

This lack of attention snaps her cool. She sits on the shadowy floor of steps by the cistern in a mixture of fury and desperation. Her hair tumbles down and she takes on the single-mindedness of an earlier Strauss heroine, Elektra. Herod is easier prey. He virtually reverses roles with his step-daughter within a few minutes. Karajan's music, which is his infatuation with *Salome*, has suddenly grown up into a woman ready to use all her formidable powers to get her own way.

Karajan does not ask his soprano for the Dance of the Seven Veils but, as when he last conducted this opera over twenty years ago at La Scala, brings on a ballet dancer, Hildegard Behrens, who is virtually a stranger to us. Miss Behrens, the doubly paid reward in which Hildegard Behrens outlined the last twenty minutes of *Salome*'s life before the same, negro, executioner who sliced off John the Baptist's head comes to kill her at Herod's command.

The moon looks down on the misbegotten. If the sets were Wagnerian then Miss Behrens's *Salome* is a Wagnerian. Her voice has a sweetness and purity which suggest *Salome*'s youth; the sensuality in the timbre is that of someone who has just finished being a baby doll and is now the brink of maturity. The whole performance, so graceful and so devoid of any hint of the overblown, seemed to stem from a love affair between

soprano, conductor and orchestra. The sounds Karajan conjured from this heady, scented score are as fine as any I have ever heard from the Vienna Philharmonic.

The quality of the musicianship provided by this combination tended to obscure the fact that Salzburg have assembled a rather good supporting cast around their new star. Apart from Jose van Dam, there is a vicious Herodias from Agnes Baltsa, more interested in fondling her androgynous page than in correcting her daughter's inclinations, although it is clear that *Salome*'s aloofness is inherited. Karl Walter Böhm's Herod is strongly characterized, but at times a little underlining in this company. Wieslaw Ochman sings Nabarro as a swarthy, at best for that other Böhm in Hamburg. And there is one of the most experienced quartets of Jews engaged for any *Salome* for a long time led by Edith Kunz, Gerhard Unger and Michel Sénéchal.

Karajan the producer eschews the exotic on stage. The court is neither particularly jewelled nor exotic, rather it is ingrown to the point of incivility. Even in its decadence it cannot accept the behaviour of *Salome*, and every one backs away from her erotic handling of the silver platter and its contents. Herod alone has the strength to call for her execution. "Man tote dieses Weib", Karajan has no need for excessive visual imagery; the story, the mood, the innuendoes and the perfume are all there in his conducting and in Miss Behrens's voice.

In between *Salome* Karajan revived *Don Carlos*, reviewed on these pages from the 1975 and 1976 festivals. It remains another of Salzburg's glories. Placido Domingo flew in from Verona to take the role role for the first performance. As during the recent Covent Garden *Aida* the voice took a little time to loosen, but when

it did the sound was glorious, particularly with Cappuccelli Lando. It is unmatched today as *Salome*.

Otherwise the cast was as last year, with Fionnuala Cossotto tending to become too strident an Eboli and Mirrelli Freni, by contrast, refining her Elisabetha more. "Tu che la vendisti" in the final act was a model of Verdi singing, tragic in its feeling of resignation and immaculate in its sense of phrasing. It made me want to flip the pages of the calendar forward to 1979 when Freni sings her first *Aida*, which will be another test of Karajan's Svengali powers.

The only disappointment during the opening week of the festival was a tiresome baroque piece in the Felsenreitschule called *Il Sommo* by Stefano Landi which I suspect has been heavily reworked by Hans Ludwig Hirsch. Salzburg have been looking for a successor to Cavallieri's *Il rappresentazione dell' anima e di corpo* to take them back beyond Mozart. But this opera has no wings.

Jean-Pierre Ponnelle, who was so successful in this theatre with *La clemenza di Tito* revived again this season under James Levine who conducted the new *Zauberflöte* in 78, has built a sumptuous Roman hill for friends and countrymen to clamber up and down which flanks a central cathedral complex with crypt and balcony. But not even August Everding's production can conceal the fact that there is less to this than meets the eye, nor was Eric Tappy in the title role able to suggest that Jessica was anything more than a very routine saint. The occasional pleasures in a dull score were provided by Edita Gruberova as Romé and Religion and by Rafael Ariza as a sharply dressed Demon. But the superb quality of what was happening in the theatres downstairs soon obliterated the memory of one dull evening up in the Felsenreitschule.

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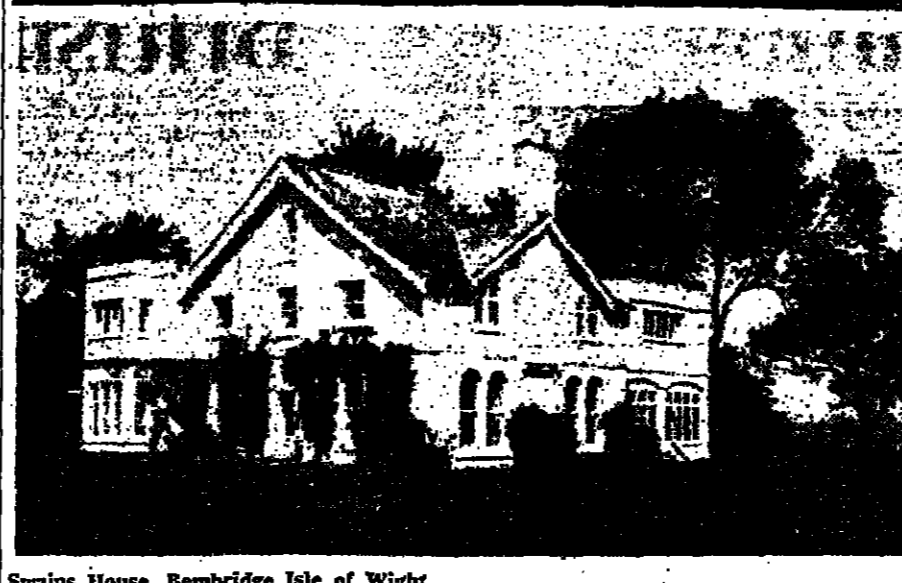
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There is a small enclosed garden at the rear and the cottage is for sale at £23,000 through the James Abbot Partnership, of Ipswich.

Fine views over the Solent are a feature of Swains House at Bembridge, Isle of Wight, a property which stands in about three acres at the edge of the village with direct access to the beach.

Accommodation here includes four reception rooms and seven main bedrooms. In addition there are three attic rooms. Among the outbuildings is a swimming pool, tennis court, and a large garage.

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## THE ISRAELI-AMERICAN IMPASSE

Mr Cyrus Vance left the Middle East yesterday without achieving his main objective in going there, namely to find a basis on which Israelis and Arabs could agree to assume the Geneva Peace Conference. But his tour has helped clarify a situation which Mr Begin's visit to Washington last month had thoroughly confused. It is now clear that that visit was "success" only in the sense that Mr Begin and President Carter both found good reasons for avoiding each other, and decided to indulge in some mutual jockeying in public. In their mutual opinions, both on the divisions of a possible solution of the Arab-Israeli conflict and the procedure for achieving it, Israel and the United States are probably now further apart than they have ever been. Israel's position is now uncompromising since Mr Begin's election, while the Americans are shown greater understanding of the Arab point of view and the position of the Palestinian people.

Mr Vance was blamed yesterday by the Israeli press for making the Palestinian issue focus of his attention, in such a way as to identify the Palestinians with the PLO. It is suggested that this emphasis is an arbitrary choice by Vance is absurd. The fact is anybody who tries to discuss

a final peace settlement with any Arab government quickly finds himself confronted with the Palestinian issue, and Arab governments all insist that this issue can be settled only with the PLO. Knowing this fact to be unpalatable to Israel, American leaders have for many years tried to ignore it, or to evade it by working on bilateral interim agreements rather than a final peace settlement. The Israelis should by now realize that if they want a final peace settlement with the Arab governments—as they profess to do—then facing the Palestinian issue is the price they will have to pay.

It is not as though Mr Vance had suddenly made himself a spokesman for the PLO. All he has done is to make somewhat more realistic the conditions on which he would be prepared to meet with PLO representatives. No longer is the PLO asked to tear up its founding charter and rewrite it to American specifications. Instead it is asked to endorse Security Council Resolution 242, thus acknowledging "the sovereignty, territorial integrity and political independence of every state in the area and their right to live in peace within secure and recognized boundaries free from threats and acts of force". The PLO is divided between those who regard this resolution as wholly unacceptable and those who

would be prepared to accept it if amended or expanded to include recognition of the Palestinians' own right of self-determination "including the right to establish an independent state in Palestine", on the lines of the draft resolution voted by the United States in January, 1976. There is no suggestion as yet that the Americans would be prepared to allow such an amendment (which Israel would certainly oppose), but Mr Carter did say on Monday that he would have no objection if the PLO were to stand on the resolution as it stands, with the qualification "but we think the Palestinians should have additional status other than just refugees".

Israel meanwhile has made it clear that she will have no dealings with the PLO even if Mr Arafat were to stand on his head and recite the Koran backwards, and Mr Dayan has also confirmed that Israel will not return the West Bank to any "foreign power" including Jordan. The position facing the Carter administration now, therefore, is whether to let the difference of opinion between it and Mr Begin remain purely platonic or, as Mr James Reston has suggested in *The New York Times*, to "make clear to Israel that it will not continue to finance and arm a Begin policy it thinks will lead to war".

## MUCH MISHANDLED SUGAR CRISIS

Stories of the great sugar glut in 1974 are sufficiently to arouse considerable interest in yesterday's morning comments on the government's handling of the sugar crisis. Housewives hoarded more than their share of domestic sugar, and the combination of a world price of 10 pence and a shortage of sugar in Britain's deal the European Community ensuring a large supply of EC sugar from traditional sources in the Commonwealth, grudging approval for the government to pay subsidies to now-merged cane sugar growers, Tate & Lyle and

After its detailed investigations, the PAC underlines the dangers when governments take positions in the commodity markets, and recommends that, should it again become necessary to assist the industry, or any other, in a similar way, the liability of the Exchequer should be defined and controlled as closely as possible in relation to all relevant circumstances.

This conclusion arises partly because the complicated price support mechanism, and controls over actual selling prices of the refineries to their customers in the market place led to a situation in which the main companies were cushioned against excess capacity and actually increased their rate of profit per ton of sugar sold.

The PAC report deals with errors in calculating permitted prices, and difficulties in tracing transactions through refineries' records. Prices permitted by the Price Commission were overstated and some 66m of excess profits accrued to the refineries, who did not receive the cash. The Ministry of Agriculture withheld substantial sums of subsidy payments pending detailed audits.

What is disturbing is the PAC's revelation that, while the Ministry had been aware shortly

after the price equalization scheme took effect in November, 1974, that selling prices had been too high, a final settlement of sums due after accounting for all transactions has still not yet been reached. It is difficult to argue with its view that the Ministry should have reduced the refineries' permitted prices as soon as the facts became known.

Clearly, the Ministry must feel bruised by a report that also discloses that it had only one accountant examining refineries' records (at one time five Tate and Lyle staff had to help, working under his direction). No one doubts the difficulties which faced Whitehall as well as refineries in a volatile period, but the costs to the Exchequer of supporting the refineries were such that a critical examination has been inevitable.

The plain fact is that sugar refineries' profits rose under subsidy and price control during a time when consumers were deeply puzzled by a swing from shortages to obvious oversupply. Yesterday's report has helped to get at the facts and MPs as well as housewives they represent may well await with interest the Government's consequential observations, after considering the PAC's various findings.

## RESPONDING TO THE PACKER CHALLENGE

West Indies. The South Africans, who cannot play Test matches anyway, are not letting down anybody at Test level.

The same arguments do not, however, apply to county cricket. There is nothing to suggest at this stage that those who have signed for Mr Packer in the winter will not be fully available to play for their counties next spring. This applies to county players of all nationalities. If there is no dereliction of loyalty as far as their counties are concerned why should they be stopped from playing for them normally next year? Of course, if it turns out that their involvement with Mr Packer makes them incapable of fulfilling their county commitments, then it would be appropriate to ban them from county cricket.

The decision of the TCCB seems to be particularly harsh on the three South Africans playing county cricket. They have not refused to play for their country. What is their treason that such action need be taken against them? What loyalties have they betrayed? What is the difference between Richards playing for money for an Australian club, as he did last winter, and playing for Mr Packer for money next winter, provided he turns up to play for Hampshire at the beginning of the season?

In the long run, persuading players to remain playing in England by offering them reasonable rewards is likely to

achieve far better results than threatening to ban them from the game. The past few weeks have shown that there are patriotic English individuals and companies prepared to put money into cricket in order to meet the challenge of Mr Packer. Their efforts and schemes they have proposed have, however, been uncoordinated and perhaps not fully considered. What is now necessary is for the TCCB, or some other centralized body, to take advantage of the good will and offers of money that have come to the surface and, in consultation with the donors, decide on how best to spend it for the benefit of the game and its players. It is virtually certain that, if some such coordinating machinery were to be set up, many more people and companies would be prepared to contribute financially. Narrowing the gap between the money available to cricketers who stay to play in England and that paid to those who follow the golden trail to Australia is the only way to achieve, in the long term, the desired result. Mr Packer's initiative—whether or not it succeeds—has already focused attention on the inadequate rewards in reach of the vast majority of cricketers. Whatever happens to the existing group of Packer employees, there should be no excuse for allowing a second generation to go the same way.

Helping the disabled  
From Sir Peter Medawar, CH, FRS  
Sir, "What is it that disabled people want?" asks someone described in your issue of August 9, 1977, as an "exasperated MP".

Clearly, there can be no one answer because the disabled are disabled in different ways and have very different resources for coping with their disabilities. But I can certainly speak for many of them when I describe what it is I want myself: I should like £30 per week I necessarily spend on making taxis to and from my work to be allowable against income tax.

If appears that there is a law against any such dispensation, and it appears also that the making of any exceptions, even when justice and common sense are in favour, is a political and administrative problem that is too difficult to solve. Yours faithfully,  
P. B. MEDAWAR,  
25 Downshire Hill, NW3,  
August 9.

British Rail country  
From the Reverend P. H. Sedgwick  
Sir, Late on Thursday night, my grandmother, "travelling" back to Glasgow at Euston Station, became ill, due to the very warm and humid atmosphere. Within three minutes of contacting the area manager, a porter was beside her with a wheelchair. He stayed with her until she felt recovered, arranged for her sleeping car reservation to be transferred to an earlier train so she could travel quicker, and telephoned Glasgow Station to ask for a wheelchair to meet her next morning.

It isn't often that a request for help from an elderly person is met with such speed and courtesy, and I would like to thank British Rail for this.

Yours,  
PETER SEDGWICK,  
Flat 1,  
St Dunstan's Rectory,  
White Horse Lane, EL  
August 5.

## The Think Tank report

From Colonel M. J. Buckmaster  
Sir, It would be not merely tragic, but also masochistic, for us to accept the ill thought out and glib recommendations of the "Think Tank" concerning both the British Army and the External Services of the BBC.

You have printed many excellent letters from very distinguished pens on this subject and I am glad to see the near unanimity of people who understand these matters through personal experience of the work of these bodies. I venture to add a postscript to these reasoned arguments.

As is well known, the patriots of France Resistance (and many of those in other occupied countries) regarded the BBC in the war as their lifeline to truth. This trust is maintained, and I know from personal experience that a radio de Londres, which I listened to eagerly, not only by those who fought in the war, but also by the younger generation. Parallel with the BBC the British Council has, by its determined efforts to make British culture known to the young French people of today, earned an unequalled reputation for this country's finest achievements in the realm of literature, science and art. Both the British Council and the BBC are maintaining British prestige abroad now, at a time when the credibility of many of our official government representatives is at a very low ebb.

Why, then, are some of the few activities in which we can justly claim pre-eminence? Why throw away the goodwill we have built up—itsself an excellent investment—in order to "save" a relatively paltry sum?

MAURICE J. BUCKMASTER,  
64 Sydney Street, SW3,  
August 10.

## Promoting exports

From Lord Pritchard  
Sir, As someone who, as Chairman of the British National Export Council at that time, helped to form the Invisibles Committee and have had first-hand experience of its work and success ever since, I would like strongly to support Mr Bill Clarke's letter published in your correspondence columns today (August 9).

Equally, I would like to pay a warm tribute to the excellent work done by our diplomatic posts abroad on behalf of British exports by all levels of their staff, especially our ambassadors, consuls general and consuls, as well as their commercial staffs. This, particularly in the case of some of the less developed countries which I fear may be included in the list of redundancies in the "Think Tank" report.

It is in these countries that postmen, as well as existing exporters, usually need most help and inevitably set it.

Yours faithfully,  
DEREK PRITCHARD,  
West Haddon Hall,  
Northampton.

## BBC World Service

From Mr Kurt Goldberger  
Sir, I deplore—perhaps selfishly (not being a UK taxpayer)—the recommendation of the British Government "Think Tank" to reduce the activities of the BBC World Service.

It is undoubtedly, in many respects, the best general information service available anywhere. Especially valuable is its very wide reaching information about the problems of the developing world, reaching beyond power politics and economics into the fields of litera-

ture and music. This insight and interest in the problems of the third world seems one of the, alas, few positive consequences of British colonial engagement well worth preserving.

As for me, having lived in Prague between 1945 and 1968, the BBC was—especially during the worst period of Stalinist repression—my most vital and universal link with the free world.

But even now, living in the German Federal Republic, with all information media at my disposal, I have remained a daily listener to the BBC World Service.

That the BBC World Service is not only a service for the whole world but also truly about the whole world has been brought home to me especially by my German wife, who never misses the German language transmission at 6.45 CET. Yours faithfully,

KURT GOLDBERGER,  
c/o Mrs. Grad-Ring 60,  
8000 Munich,  
German Federal Republic,  
August 3.

## Supporting individuals

From Sir Douglas Dods-Parker  
Sir, I have read with interest your necessarily abbreviated account of the proposals to reorganize HMG's overseas representation. There seems little new in the changes suggested. Their emphasis and timing have been much discussed, and adjustments made, in the nearly fifty years that I have been concerned, under, in and with the Foreign and Commonwealth Offices, at home and abroad.

In some respects the position is back to where it was twenty years ago. A number of individuals—traders, political representatives and some "settlers"—have to continue the process of cooperation by persuasion rather than by the authority which existed for a few decades. Any such kind of involvement has so often been despised, rather than due to, any British Government. But our countrymen and women overseas need changing methods of support from Britain.

Individuals from several Government departments, including the Foreign Office, have made outstanding contributions. They have been immeasurably helped by the BBC and the British Council, whose objective projection of British standards and interests have helped, for example, to bring many students and visitors to Britain.

Never has Britain had greater opportunities to work abroad to their own benefit. "Local decision-makers" are grappling with the problems of growing populations, of food, health, education and housing. And now that I find it is a question of administration rather than part time politics or business that has an appeal, though all combine together.

On the practical working level I have found immense goodwill between the overseas and our UK-based representatives in evolving up-to-date methods of cooperation. Later for instance, more political and consular representation on an EEC basis could be effective. I am, etc.,  
DOUGLAS DODS-PARKER,  
14 Grosvenor Place, SW1,  
August 3.

PS: Our ever hospitable overseas representatives might have their expenses more clearly divided, to show how much is spent on trade promotion and how much on visiting politicians.

## National Front march

From Mr P. J. Hayes  
Sir, In company with many other residents and shopkeepers in Lewisham, I have listened to the debate over the question of the forthcoming demonstrations in my borough with horrified fascination. Our feelings, our rights, our interests, our property seem to have been totally forgotten, while the politicians and the press thrash the matter out above our heads.

It seems to my organization that whether the National Front, or the local London Council, or whether the Bishop of Southwark and the International Marxist Group want to pick a fight or not is unimportant. What matters is that two violently opposed groups of people intend to clash in our high street on the busiest trading day of the week, and the only day that many people, men and women and children can go shopping. Many local shopkeepers have already declared their intention of closing, and however strong the police presence is, it would be naive to presume there will be no violence—that is, what large numbers of people will want, and what several "leaders" have already indirectly called for, by calls to "stop the Front" or conversely "enforce our rights".

Against this background, therefore, I call on behalf of my organization to move the marches to Sunday so that this Saturday we can all go about our weekly business without fear. What happened is a terrible object lesson in power politics and in the manner in which political prejudice and the law of the land become entangled.

Firstly, having discovered that my local council's debate consisted only of political platitudes and plea to totally ban the National Front's march—which I too condemn as a denial of free speech—I telegraphed Mr Whitelaw, the Shadow

Home Secretary. I then rang the Home Secretary's private office, asking Mr Rees to move the date to Sunday. Mr England said he was dealing with the matter and that nothing could interfere with the two sides' "right to march". I pointed out that there will inevitably be street brawls, and probably deaths, and that when this did occur my area's residents would send our report to Mr Rees.

I then took legal advice, considering an ex-parte interdictary injunction, to prevent breaches of public order, to prevent interference with trade, prevention of bodily harm and damage to property. A leading firm of solicitors with recent experience in such fields finally had to advise me that as I had no chance of success following the Attorney General's successful appeal to the House of Lords in the Gwent-postal workers case, these specialists now tell me that all we, the residents, can now do is wait until Saturday, knowing the law will be broken.

When it has been, my organization now want to know, why can we not have a march on the day we are interested in the right of shopkeepers to earn a living without fear? For old ladies to go shopping in a High Street without getting swept along in a street fight? For residents to let their children play in their streets? What do the National Front, the Bishop of Southwark, the Social Workers Party, Mr Rees and the politicians care? At present they will declare that they are on the day after the "demonstrations" perhaps they will come together to address my Association and argue on the way they will divide the bill. I remain, Sir, yours sincerely,  
P. J. HAYES, Secretary,  
Lewisham Central Residents Association,  
21 Mincing Lane, EC3,  
August 10.

## Government by the centre

From Mr J. M. Todd  
Sir, "Governing by deals", David Wood (*The Times*, August 11), in a phrase intended to be derogatory describes exactly why so many millions actually approve the present arrangement of government by deal. I would like to see a coalition that will vote for. Long may it continue.

I am not interested in what particular mixture of parties is involved so long as they get the essential work done and protect us from ideological packages of left or right.

I am not much impressed, either, by short term speculation about "the future of the Liberal Party". I am certain the good of this country can only be forwarded by governments of the centre, and I will always do everything that will give us that, immediately.

Perhaps we do not write many letters to the press and so this proposition is still seldom aired in your paper. But I suspect that there may be more voters of this opinion than there are voters totally committed to either the Conservative or the Labour Parties.

Yours,  
JOHN M. TODD,  
88 Little Road, SW6,  
August 2.

## Nuclear security and civil liberties

From the Secretary of the United Kingdom Atomic Energy Authority  
Sir, In your issue of August 2 Roger Berghold summarizes an article by Mr Paul Sieghart, Joint Chairman of the Executive Committee of the Review of the International Commission of Jurists. In the article it is argued that the use of the fast reactor for the large-scale generation of electricity in the future could lead to an erosion of civil liberties, human rights and the rule of law because of the need to safeguard society against the risk of terrorist attempts to hijack plutonium. It would appear, however, from the article that Mr Sieghart was writing without the benefit of some recent information, and notably without access to the Government White Paper *Nuclear Power and the Environment* (Cmd 6820) published at the end of May as its response to the Sixth Report of the Royal Commission on Environmental Pollution or to the replies published by the Secretary of State for Energy on June 2 in response to questions put to him concerning the long term security of nuclear power by the Friends of the Earth, the Council for the Protection of Rural England and the National Council for Civil Liberties. These replies carry forward the discussion well beyond the evidence cited by Mr Sieghart.

We ought not to forget that it is the terrorist who creates the need for any special security measures that are necessary, not only in relation to nuclear power but in many other activities. As Cmd 6820 says, "The degree of surveillance needed to detect and watch terrorists at any given time depends more on the prevalence of terrorism than on the availability of plutonium." Furthermore, without access to the energy resources which would be made available by the use of plutonium in the fast reactor, it is possible that the need for civil liberties and human rights might emerge in a world facing a severe

energy shortage and fierce competition for the remaining export resources.

In the context of Mr Sieghart's paper and in particular his statement that security provisions may be unacceptable consequences of plutonium is used in great quantities, Cmd 6820 is relevant. By giving careful attention security considerations at the design stage of nuclear installations, could ensure that its (ie, plutonium's) availability in an access from remains severely restricted even in a society which made extensive use of plutonium-fuelled power stations. Designing security in nuclear systems in this way was not only reduce the risk of successful terrorist action but should also reduce the need for the types measures... which could be regarded as a threat to civil liberties.

Bodies and individuals opposed the development of nuclear power would not be subject to security surveillance unless there was reason to believe their activities were subversive, violent or unlawful. Only a few staff at fast reactor power stations would be subject to enquiries on the same lines as a positive vetting.

No alteration to the procedure governing the interception of communications (telephone tapping, opening of mail etc) would be expected on account of the development of nuclear power.

The contingency plans for dealing with terrorist threats to nuclear installations would be effective should the need arise. There is no reason to suppose that they would have a significant impact on the liberties of individual citizens. Yours faithfully,  
P. J. SEARBY, Secretary,  
United Kingdom Atomic Energy Authority,  
12 Grosvenor Street, SW1,  
August 11.

## Journalists' closed shop

From the Editorial Director of News Group Newspapers

Sir, An impression seems to be abroad that the implementation of a "proper appeal procedure" for complaints of unfair or arbitrary expulsion from the union is equally meaningless.

What is proper? The NUJ would claim that it already has proper appeal procedures.

But not all members, let alone all journalists, would care to rely upon them.

Finally, the Commission's call for conformity with "the spirit and intention of the (non-existent) Charter" is so impossibly vague as to create more problems than it can solve.

In the circumstances the current debate about whether the NUJ can make good, now and in the years ahead, the doubtless sincere promise to enforce "safeguards" seems to many journalists an irrelevance.

I do not pretend to know how, or if, this wretched problem will be solved.

Do not know that it will not be on the basis of the Royal Commission's report. Yours faithfully,  
LARRY LAMB (NUJ),  
Editorial Director,  
News Group Newspapers Ltd,  
30 Beaufort Street,  
Fleet Street, EC4,  
August 11.

## Smuggling pets

From Brigadier J. J. Packard

Sir, It has been suggested by Dr Gavin Spragg, Parliamentary Secretary at the Ministry of Agriculture, Fisheries and Food, that attempted pet smuggling which carries the risk of bringing rabies into Britain has declined this year as a result of a number of prosecutions last year. While it is hoped that prosecutions will deter people from this foolish and dangerous offence, I must point out that there is no indication that it is on the decline at Heathrow Airport for which the City of London Corporation is responsible.

In the first half of this year 19 incidents have been referred to the City Solicitor for consideration of prosecution and in the same time 14 successful prosecutions of

offences committed last year have taken place at Uxbridge Magistrates' Court, there being a time lag between the date of the offence and the date of the hearing.

It would appear, therefore, that far from declining, attempts at illegally landing animals at Heathrow are increasing and there is certainly no room for complacency at any level. This holiday season is a particularly dangerous time with its greatly increased foreign travel and the greatest vigilance is called for on the part of everybody concerned to prevent this dreadful disease getting into Britain.

Yours sincerely,  
JOHN PACKARD,  
Chairman,  
Port and City Health Committee,  
Metropolitan Police,  
Guildhall, EC2,  
August 4.

## The cost of bureaucracy

From Mr R. H. McCall

Sir, Mr Ray Moxley (August 3) assesses the cost of employing town planners and building control officers at £1,270 million p.a. This is a vast exaggeration, best illustrated by the fact that the 1977-78 RSG settlement provides for a gross cost (November, 1976, prices) of all town planning expenditure by local authorities at £221.1 million, and the gross cost of environmental health (which includes building control and numerous other services) at £155.5 million.

Mr Moxley's estimate of planning blight and general obstruction at £2,540 million p.a. is equally absurd and appears to be mere guesswork.

Yours sincerely,  
ROBIN MCCALL,  
The Hospice,  
Northbrook Avenue,  
St Giles Hill,  
Winchester,  
August 3.

## Loan to Bolivia

From the Bolivian Chargé d'Affaires

Sir, I refer to your article of August 5, under the heading "Miners' union pressure stops loan to Bolivia" and wish to clarify that this Embassy has since received confirmation of the fact that the British Government had informed the Government of Bolivia of its decision.

I therefore regret my false impression that may have been given.

Yours faithfully,  
FERNANDO CANEDO,  
Chargé d'Affaires a.i.,  
The Bolivian Embassy,  
106 Eaton Square, SW1,  
August 10.

## Army nicknames

From Mr Lionel Abel-Smith

Sir, Sir Evelyn Barker (August 8) is quite right in saying that wives did not always like their husband's nicknames. My father was well over six feet while a brother officer was nearer five than six. The latter was always known as "Poor little Salt". My father gave him a silver tankard as a wedding present and had it inscribed "Poor little Salt" in a facsimile of his own handwriting. It did not do much to cheer him up. Salt and had to be altered with a line through the "Poor" and the word "Lucky" inserted above.

I am the lucky possessor of that tankard since General Salt's daughter gave it to me on her father's death.

Yours faithfully,  
LIONEL ABEL-SMITH,  
Graves,  
Petersham,  
Sussex,  
August 9.



RY  
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## Market pressure may force Bank to cut minimum lending rate to 7 pc today

Whitmore  
Bank of England's mini-  
lending rate looks set to  
move from 7 1/2 to 7 per  
cent tomorrow, unless the  
bank chooses to set the rate at  
el of its own choice  
of market forces.  
A Bank move to lower  
7 per cent today, then  
then be considerable  
on the clearing banks  
their base rates again  
earlier this week  
them from 8 1/2 to 8  
her fall in MLR would  
ease the pressure on  
ding societies to lower  
ter rates. Although  
leties—which are ex-  
a report a July inflow  
m to £330m today—  
een to see the monthly  
stabilize at around  
before considering a  
ut in rates, Mr Healey  
fairly plain this week  
expecting lower mort-  
r factor influencing  
will be the result of  
y Treasury bill tender.  
y Treasury bills were

trading at around 61 per cent.  
If the level is no higher at  
today's tender, then the market-  
related formula for establishing  
MLR would indicate a cut in  
MLR to 7 per cent.  
The Bank retains the option  
not to go along with market  
forces if it feels that interest  
rates are falling faster than  
desirable. But yesterday the  
Bank offered no "signal" to  
the discount market that it was  
especially perturbed at the  
speed with which rates have  
been falling recently.  
It is generally thought the  
reason for this is that the  
authorities see some consider-  
ably improved trade figures  
ahead—the July figures come  
out today—and do not wish to  
attract more "hot money" into  
Britain on the back of the  
improvement in the country's  
underlying trading situation.  
The recent downturn in  
interest rates and the hope that  
this may still have a little  
demand yesterday for the new  
long-dated gilt-edged stock on  
offer.  
All the stock, £800m of 12 1/2  
per cent Exchequer Stock, 1994,  
was sold out on application.  
Since the stock is initially  
only £15 paid, investors had to  
put up only £120m yesterday.

## Low for dollar nium

Pullen  
ing its rapid fall of  
week, the investment  
premium slipped  
per cent yesterday  
its lowest level for  
a half year.  
The day at 95 1/2 per  
effective premium  
amount extra  
have to pay to buy  
shares—now stands at  
ent.  
reported little extra  
a traditionally very  
st, but with no buying  
ly a small weight of  
needed to push the  
line marks a sharp  
sentiment in recent  
overseas following the  
ing of sterling, the  
d official reserves and  
showing of overseas  
s, especially Wall

## ies look 0m net ts for July

Stone  
society net receipts  
to be announced  
pected to be about  
ared with £304m in  
below the record  
1m in May.  
and upward trend  
already encouraged  
y leaders to fore-  
lending of £6,400m  
ear, despite the  
ing programme in  
months.  
annual lending of  
the Bank of Eng-  
sociation expects  
to flow in at the  
n a month.  
ulations are at  
on the present  
structure of the  
lower, they are  
increasing pressure  
cancellor of the  
o trim the mort-  
or the third time

## in BA profit

ways, which made  
£33m in 1976-77,  
y that at the same  
at the same results  
use of problems  
lent 3, and some  
able. The airline  
ing its financial  
et June this year,  
it profit of £4m  
compared with  
corresponding

## Peruvian default on foreign debts inevitable

By Christopher Willmott  
International bankers now  
believe that a default by Peru  
on its foreign debt in the near  
future is unavoidable.  
It is feared that within a  
matter of days rather than  
weeks Peru will cease to service  
at least a part of its borrow-  
ings, which could now total  
close to \$3,500m (about  
£2,000m). There have already  
been cases of delayed payment.  
The prospect of a default is a  
source of particular alarm to  
banks because it was only a  
year ago, in the face of an  
earlier prospective default, that  
banks round the world agreed  
with some reluctance to put up  
\$350m to avert a financial  
crisis.  
In previous similar cases of  
difficulty, bankers have tended  
to agree to refinance existing  
loans, if only as a way of pro-  
tecting their existing invest-  
ment. But in view of the earlier  
rescue it is felt much less likely  
that they will agree to a similar  
arrangement now.  
This is partly because of a  
belief among bankers that the  
\$350m loan has been "soured".  
It is thought that as much  
as a quarter of Peru's total  
foreign trade revenue has been  
spent on military equip-  
ment, much of it Russian.  
Also, the Peruvian authorities  
appear to have refused to accept  
a stringent economic pro-  
gramme of retrenchment pro-  
posed some two months ago by  
a team from the International  
Monetary Fund. Without the  
acceptance by Peru of IMF  
terms, there is no chance of  
banks being prepared to pro-  
vide new finance.  
The latest available figures  
show Peru's external debt as  
\$2,870m at the end of 1975, but  
including credits which were  
not then taken up—and since  
likely to have been largely  
drawn—the total rises to  
\$3,460m. Interest and principal  
repayments due this year  
amount to just over \$500m.  
A particular cause for con-  
cern is whether a Peruvian  
default would heighten existing  
pressures within the United  
States for banks to curb the  
growth in their international  
lending.  
Zaire package setback: Hopes  
that international bankers  
might be persuaded to subscribe  
a \$250m loan for Zaire as part  
of a rescue package put to-  
gether by a group of interna-  
tional banks have encountered  
a setback following the sudden  
dismissal of Mr Samba Pida Nguini,  
Zaire's central bank governor,  
for allegedly mismanaging

## Bank of England suspends 'corset' controls on growth of deposits

By Our Financial  
Correspondent  
The banking "corset", intro-  
duced last autumn to control  
the rate of growth in bank  
interest-bearing resources, and  
thus the money supply, is  
being suspended for the time  
being.  
Yesterday's move by the  
Bank of England, which came  
rather earlier in the year than  
generally been expected, has  
been taken because the  
authorities now feel happy  
about the way in which the  
money supply is growing.  
Another reason is that the  
banks as a whole are so far  
inside the "corset" that as an  
overall control of the banking  
system it has recently become  
largely redundant.  
At the same time, however,  
the Bank has become aware  
that a number of individual  
banks are close to their maxi-  
mum permitted growth in  
interest-bearing resources.  
Given the fact that the system  
as a whole seems to be well  
under control, the Bank is in  
effect allowing the faster-grow-  
ing banks more rein.  
The Bank has stressed, how-  
ever, that it retains the right  
to reintroduce the "corset" if  
officially known as the supple-  
mentary special deposits scheme  
—at any time it feels appro-  
priate. It has also made it  
clear that any reintroduction  
would not necessarily be based  
on the ceiling limits that have  
operated over the past nine  
months.  
At the same time the Bank  
was keen to point out that the  
suspension of the "corset" does  
not mean that it is in any way  
relaxing its determination to en-  
sure that this year's monetary  
targets are met.  
Nor do the authorities see the  
suspension of the "corset" as  
an invitation to the banking  
system to stimulate excessive  
demand for loans—assuming,  
of course, that it were able to  
do so. The Bank has reiterated its  
guidance on the direction of

## Parsons merger terms give edge to Reyrolle

By Nicholas Hirst  
Detailed terms for the pro-  
posed merger of Clarke Chap-  
man and Reyrolle Parsons are  
more favourable to Reyrolle  
Parsons than originally in-  
tended.  
The 50/50 share of the equity  
of the new company, to be  
called Clarke Chapman Reyrolle  
Parsons, is maintained, but  
shareholders in Reyrolle are  
also to receive a total of £4m  
of redeemable preference stock,  
which is expected to stand near  
par.  
The highly complex docu-  
ments for the merger—first  
announced at the height of the  
uncertainty over the future of  
the United Kingdom power  
generation industry following  
publication of the report by  
the Central Policy Review Staff  
—contain new information of  
the likely effects on both com-  
panies of the deadline and pro-  
posed rationalization of the in-  
dustry.  
But the main stress is on the  
prospects of the combined  
group in its activities outside  
large-scale power generation.  
Terms, which are recom-  
mended by the two boards, who  
will vote in favour, are also  
supported by Clarke Chapman's  
major shareholder, Combustion  
Engineering, which has 13.1  
per cent.  
For each Clarke Chapman  
ordinary there will be one new  
share and for every 10 Reyrolle

## Balancing feat beyond the Budget boffins

Mr Healey, the Chancellor, is  
in favour of finding a new way  
of presenting the Budget bal-  
ance so that it showed what  
size Government revenues and  
spending would be. The  
economy were running at full  
employment.  
Unfortunately, devising this  
method of presenting the Bud-  
get has proved beyond the skill  
of the Treasury technocrats,  
even though, it is a feat which  
other countries have managed.  
In a letter, written earlier  
this month to Mr John Pardo  
MP, Liberal Party spokesman on  
the economy, the Chancellor  
acknowledges that there are dis-  
advantages in the way the Bud-  
get balance is conventionally  
shown. Replying to an earlier  
missive from Mr Pardo, the  
Chancellor says "I well under-  
stand your view of the unrelia-  
bility of the conventional Bud-  
get balance as a measure of  
requirement, the formal ex-  
pression of the Budget deficit as  
an economic indicator."  
Mr Healey says he sees the  
borrowing requirement as pri-  
marily a financial concept and  
changes in it as particularly  
relevant to monetary conditions.  
In one form or another, the  
concept of the "full employ-  
ment" Budget has been around  
for many years, and is used in  
other countries such as Ger-  
many and the Netherlands.  
Independent economic forecasting  
groups like the National Insti-  
tute for Social and Economic  
Research and the Department  
of Applied Economics, Cam-  
bridge, also construct full em-  
ployment models.  
By doing this it becomes pos-  
sible to distinguish between the  
effects on the Budget balance  
of discretionary measures, and  
the automatic effects of varia-  
tions in economic activity. It  
gives a clearer indication of the  
Government's fiscal stance, be-  
cause it provides a yardstick in  
times of recession.  
On the evidence of independ-  
ent work done in this area,  
the Government's fiscal stance  
seems to be more restrictive than  
the size of the actual Budget  
deficit this year might be taken  
to suggest that the fiscal stance  
was expansionary.  
The Treasury has given a  
good deal of thought to this,  
Mr Healey writes, but no  
factory way of presenting a full  
employment Budget has been  
found.  
The problems cited by the  
Chancellor in finding a new for-  
m are firstly, the breakdown  
in the traditional relationship  
between the level of economic  
activity and employment in re-  
cent years (common to most  
countries); and, second, the  
difficulty of deciding the par-  
ticular demand that should be  
assumed to obtain with full em-  
ployment.  
For example, he says, the full  
employment balance would be  
a good deal smaller if the addi-  
tional expenditure took the form  
of higher exports or increased  
savings abroad, but no result  
of a fall in the savings rate,  
than if it arose out of re-  
duced public expenditure or re-  
duced taxation.  
Melvyn Westlake

## Crown Agents likely to need more state aid

By Malcolm Brown  
Treasury and other govern-  
ment departments were urged  
by the Committee of Public  
Accounts yesterday to keep a  
close eye on the Crown Agents.  
This appeal, made in the com-  
mittee's first report for the  
session 1976-77, was accom-  
panied by a warning that in  
the committee's view further  
public funds are likely to be  
necessary if the Crown Agents'  
net assets do not appreciate  
slowly from their present value.  
The Government has already  
made a rescue grant of £85m  
to the agents to help it recover  
from its disastrous fringe bank-  
ing and property deals in the  
1960s and early 1970s—a sum  
which, although theory re-  
payable, is widely thought by  
observers to be now irrecover-  
able.  
The ministers asked to main-  
tain a close oversight are De-

## Acas initiative opens the way to peace at Lucas

The Advisory, Conciliation  
and Arbitration Service (Acas)  
has stepped into the Lucas tool-  
makers dispute in an attempt  
to end the six-week-old strike  
that threatens Britain's car out-  
put. Acas has invited all the  
parties involved to a meeting in  
London today.  
Leyland Cars in particular  
and the motor industry gener-  
ally face loss of production and  
lay-offs because of the pay dis-  
pute involving 1,200 toolmakers.  
Their action has led to 9,500  
Lucas workers being made idle.  
At Cowley, where Marina pro-  
duction is at a standstill and  
3,750 workers are laid off, the  
dispute is costing Leyland  
nearly £2m a day.  
Engineering union officials,  
Lucas management and the  
Engineering Employers' Federa-  
tion have failed to find a solu-  
tion. Acas intervened when the  
members of the working party  
at a meeting in London.  
There are still points to be  
cleared up by the individual  
unions, executives as well as  
the question of clearance by the  
annual Trades Union Congress  
in September.  
But once these points were  
settled, Mr Scanlon said, the  
confederation would call in Ley-  
land senior shop stewards.  
Chrysler pay claim: The 25 per  
cent pay claim by Chrysler UK  
workers is to be discussed today  
at a works conference. But  
already some groups of tool-  
room engineers have said they  
will take industrial action if  
their claim is not met.  
Shop stewards' handling the  
pay claim for both toolroom  
engineers and other grades have  
already agreed to a deferred  
new claims to run from August

## Redfearn rejects New York bid

Redfearn National Glass has  
rejected the £68m bid for  
control of the group  
from the New York conglom-  
erate, City-Investing Company.  
A letter to shareholders from  
Redfearn's board, which con-  
trols just over 30 per cent of  
the company's shares, reiterates  
its view that there would be  
"no commercial merit" in the  
deal.  
The directors believe that  
"the combination of resources  
should enable the development  
of more efficient and sophis-  
ticated systems and lead to  
increased sales by CD, particu-  
larly in export markets."  
It is made clear that there  
should be no redundancies  
among CD's 4,600 workforce  
as a result of the merger, and  
that the company will continue  
to operate "as a largely auton-  
omous group" under its own  
main board.  
CD's directors are to accept  
the offer on behalf of their own  
shareholdings and, with the  
advice of Kleinwort, Benson,  
are recommending the terms to  
shareholders as "fair and  
reasonable".  
Apart from the ordinary share  
offer Standard is bidding 60p  
cash for CD's 4.2 per cent  
cumulative preference shares.

## Tea packers return phase two pay-outs

By R. W. Shakespeare  
About 400 packers at the  
Brooke Bond tea factory at  
Telford, Shropshire, began a  
work-to-rule yesterday  
after the management had in-  
cluded phase two pay rises in  
their wage packets. Some de-  
cided to hand back the in-  
creases of between £250 and  
£4 a week.  
Workers and management  
have for some weeks been try-  
ing to sidestep a phase two  
increase in the hope that a  
settlement could be achieved  
from August 1.  
Last night a spokesman for

## Britain failing to back innovation, MPs assert

By Kenneth Owen  
Financial incentives should  
be provided for companies  
developing innovative products  
where the risk is high, MP  
said in a debate on the future  
of the technological innovation  
subcommittee of the Commons  
Select Committee on Science  
and Technology, said yesterday.  
Britain's scientific brain-  
power was a greater resource  
than North Sea oil, he said.  
But the overall system, includ-  
ing that of government support,  
was not backing innovation in  
Britain as the rate and on the  
scale that it should.  
Mr Lloyd was commenting on  
a report by the committee in  
which the history of a gear-  
driving development at the  
Cranfield Unit for Precision  
Engineering, part of Cranfield  
Institute of Technology, was  
examined.  
A proposal for Department of  
Industry support for the pro-  
ject, which had already at-  
tracted industrial backing  
covering 60 per cent of the  
cost, was rejected. The story  
was "disturbing", the com-  
mittee said in its report, and  
not believed to be unique.  
Mr Lloyd said that there was  
scope for some new form of  
fiscal encouragement for high-  
risk innovation. Companies in  
certain categories might be  
allowed to retain profits free  
of tax, for example, for an  
initial period of perhaps five  
years.  
The select committee was  
involving individuals and com-  
panies to get in touch, Mr Lloyd  
said, with information on other  
innovative developments.  
Gear slips, page 17.

## How the markets moved

The Times index: 197.10 - 0.09  
The FT index: 478.2 - 2.6

Rises			
Aeron & Gen	7p to 8 1/2p	Stone Plant	8p to 12 1/2p
Accor Props	8p to 10 1/2p	Thorn Elec	8p to 12 1/2p
Davies & New	10p to 12 1/2p	Taxi & Gen	11p to 12 1/2p
St Pauline	10p to 12 1/2p	Tunnel "B"	11p to 12 1/2p
Industries	5p to 8 1/2p	Ultrasun	8p to 12 1/2p
Newcastle	12p to 12 1/2p	Utd Scientific	11p to 12 1/2p
Prep Blags	8p to 12 1/2p	Whitely DS	11p to 12 1/2p
Falls			
Anglo Am Corp	25p to 23 1/2p	Messina Trans	10p to 10 1/2p
Blythe	25p to 23 1/2p	Scotl East	10p to 10 1/2p
Blythe	25p to 23 1/2p	Steele Rock	10p to 10 1/2p
Doornmonte	12p to 10 1/2p	Stonchill	5p to 6 1/2p
Elstberg Gold	11p to 7 1/2p	Walker C & W	11p to 12 1/2p
GKN	5p to 3 1/2p	Western Areas	18p to 12 1/2p
Harmony	15p to 12 1/2p	Young H	31p to 26 1/2p

Equities fell back  
Gilt-edged securities lost early  
gains.  
Dollar premium 95.25 per cent  
(effective rate 30.66 per cent).  
Sterling lost 1 1/2p to 12 1/2p.  
The effective exchange rate index was  
at 61.5.

Gold lost 0.075 an ounce to  
\$145.375.  
SDR-S was 1.16713 on Thursday,  
while SDR-E was 0.67126.  
Commodities: Rotten's index was  
at 1496.1 (previous 1496.7).  
Reports, pages 18 and 19.

**On other pages**  
Business appointments 18 | Wall Street 19 | Annual statements 19  
Appointments vacant 21 | Bank Base Rates Table 19 | Birmingham Motor Ltd 19

10/1/74





## ANALYSIS AND MARKET REPORTS

Form settlement  
sparkling  
Cowan,  
Groot

red with last month's of "not loss than pre-tax profit of the Groot, the boys, girl, electrical wholesaling, and machinery group, by 45 per cent to a 1.81m in the year in turnover increased by 10 per cent to £27.4m. The year's net charge is replaced by a credit of 1.5m that net profit substantially from £1.8m.

Bridges of  
one year

ectors say that group during the first if the new financial well ahead of that 12 arlier.

## Briefly

ANCE TRAVEL. bits of £691,000 were at the first meeting in London of James vel, which operated s in London and Glas left the matter in official receiver.

red loss for year to be about \$43m, or \$44.5m in previous reports. Dividend not stated.

## Issues

EC sees way lead overseas

Latest date of issue: Sep 23

Bank Base Rates

Bank 8%  
ated Crds 8%  
ondon Secs 8%  
e & Co 8%  
ank 8%  
Bank 8%  
minister 8%  
ter Acc's 8%  
Trust 8%  
& Glyn's 8%

Racial disclaimer  
taking 5pc stake

LIGHTINGALE & CO. LIMITED

adelaide Street, London EC2R 8BP. Tel: 01-638 8651.

Company	Last Price	Change	P/E
Airprung Ord	40	+1 4.2	10.5
Airprung 18% CULS	137	-18.4	13.5
Armitage & Rhodes	36	-3.0	8.3
Bardon Hill	125	+2 12.0	9.6
Deborah Ord	141	-8.2	5.8
Deborah 17% CULS	149	-17.5	11.8
Frederick Farker	131	-11.5	8.5
Henry Sykes	84	-2.4	2.8
Jackman Group	48	-5.0	9.6
James Burroughs	90	+1 6.0	9.7
Robert Jenkins	11	-27.0	9.7
Twinkled Ord	62	-12.0	19.3
Twinkled 12% ULS	65	-7.0	10.7
Unlock Holdings	77	-6.4	8.3
Walter Alexander	77	-6.4	8.3

Changes at M

THE BIRMINGHAM MINT LTD

2nd April 1977

£7000

8782

7006

before tax

365

261

after tax

176

144

ordinary Share

Pence

9.3p

7.0p

4.35p

3.92p

cknield Street, Birmingham B18 6RX

## Commodities

COPPER: Cash was up three months' contract, but fell on the day. The market was quiet, with a slight upward bias. The price of copper was 1.10 per lb. The price of silver was 1.10 per lb. The price of gold was 1.10 per lb.

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Foreign  
Exchange

The dollar edged slightly higher to close at 2.1855 marks. But it was still below its opening level of 2.1850 marks.

The dollar initially declined after an anticipated German discount rate cut did not take place but firmed later on buying interest from the United States as Federal funds hardened.

Sterling traded quietly around \$1.730-93 but eased later on some commercial sales. At the close it was 11 points down on the day at \$1.7281.

The effective exchange rate was unchanged at 61.3. Forward sterling discounts against the dollar widened reflecting market anticipation of a cut in the United Kingdom lending rate.

Elsewhere, the Canadian dollar fluctuated in the region around 92.50-55 US cents.

Gold rose 30.75 a ounce to close in London at \$145.37.

Spot Position  
of Sterling

Market for Sterling

1 month 1.7281

3 months 1.7281

6 months 1.7281

12 months 1.7281

18 months 1.7281

24 months 1.7281

30 months 1.7281

36 months 1.7281

42 months 1.7281

48 months 1.7281

54 months 1.7281

60 months 1.7281

66 months 1.7281

72 months 1.7281

78 months 1.7281

84 months 1.7281

90 months 1.7281

96 months 1.7281

102 months 1.7281

108 months 1.7281

114 months 1.7281

120 months 1.7281

126 months 1.7281

132 months 1.7281

138 months 1.7281

144 months 1.7281

150 months 1.7281

156 months 1.7281

162 months 1.7281

168 months 1.7281

174 months 1.7281

180 months 1.7281

186 months 1.7281

192 months 1.7281

198 months 1.7281

204 months 1.7281

210 months 1.7281

## Discount Market

Money moving into the new Exchange 121 per cent 1994

The Bank of England was required to adjust the market on an exceptionally large scale.

The authorities lent an exceptionally large sum overnight to five or six houses at MLR (71 per cent), and also bought a small amount of Treasury bills and corporation bills directly from the houses.

Houses could do little more than move money during the day, waiting for the Bank to intervene. They attracted little or no fresh money, bidding up at 72 or 71 per cent for much of the time. A fall on the note circulation was the one identified factor working in the market's favour.

Against it were the applications for the £200 million, considerably below the £250 million brought over from Wednesday, and a large net take-up of Treasury bills.

However, the Bank probably gave more than enough help, and the close was fairly comfortable.

Money market rates were down to 61-7/16 per cent. If this level was repeated at the weekly tender, MLR would come down from 71 per cent to 7 per cent.

Money Market  
Rates

Bank of England Discount Rate 7%

Overnight 61-7/16

1 month 61-7/16

3 months 61-7/16

6 months 61-7/16

12 months 61-7/16

18 months 61-7/16

24 months 61-7/16

30 months 61-7/16

36 months 61-7/16

42 months 61-7/16

48 months 61-7/16

54 months 61-7/16

60 months 61-7/16

66 months 61-7/16

72 months 61-7/16

78 months 61-7/16

84 months 61-7/16

90 months 61-7/16

96 months 61-7/16

102 months 61-7/16

108 months 61-7/16

114 months 61-7/16

120 months 61-7/16

126 months 61-7/16

132 months 61-7/16

138 months 61-7/16

144 months 61-7/16

150 months 61-7/16

156 months 61-7/16

162 months 61-7/16

168 months 61-7/16

174 months 61-7/16

180 months 61-7/16

186 months 61-7/16

192 months 61-7/16

198 months 61-7/16

## Wall Street

New York, Aug. 11.—Prices closed lower in moderate trading on the New York Stock Exchange, shedding early gains.

The Dow Jones Industrial Average fell 9.61 points to 87.43.

Declining issues led gains by 100 to 200.

Volume rose to 18.23 million on Wednesday.

The stock market was moderately higher in early trading following news that the United States would raise price index to 1.71 in July for the second straight month.

The index was down 0.1 per cent last month compared with a 0.7 per cent drop in the previous month, but analysts said the latest decline was encouraging.

Brokers say further selling was brought on by the United States Federal Reserve money market moves.

## Gold remains static

New York, Aug. 11.—GOLD closed lower in moderate trading on the New York Stock Exchange, shedding early gains.

The Dow Jones Industrial Average fell 9.61 points to 87.43.

**BELL'S**  
SCOTCH WHISKY  
*"More ye go"*

6 Forward bargains are permitted on two previous days

BRITISH FUNDS									
1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84
1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94
1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04
2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14
2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34
2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44
2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54
2054-55	2055-56	2056-57	2057-58	2058-59	2059-60	2060-61	2061-62	2062-63	2063-64
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2144-45	2145-46	2146-47	2147-48	2148-49	2149-50	2150-51	2151-52	2152-53	2153-54
2154-55	2155-56	2156-57	2157-58	2158-59	2159-60	2160-61	2161-62	2162-63	2163-64
2164-65	2165-66	2166-67	2167-68	2168-69	2169-70	2170-71	2171-72	2172-73	2173-74
2174-75	2175-76	2176-77	2177-78	2178-79	2179-80	2180-81	2181-82	2182-83	2183-84
2184-85	2185-86	2186-87	2187-88	2188-89	2189-90	2190-91	2191-92	2192-93	2193-94
2194-95	2195-96	2196-97	2197-98	2198-99	2199-00	2200-01	2201-02	2202-03	2203-04
2204-05	2205-06	2206-07	2207-08	2208-09	2209-10	2210-11	2211-12	2212-13	2213-14
2214-15	2215-16	2216-17	2217-18	2218-19	2219-20	2220-21	2221-22	2222-23	2223-24
2224-25	2225-26	2226-27	2227-28	2228-29	2229-30	2230-31	2231-32	2232-33	2233-34
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2244-45	2245-46	2246-47	2247-48	2248-49	2249-50	2250-51	2251-52	2252-53	2253-54
2254-55	2255-56	2256-57	2257-58	2258-59	2259-60	2260-61	2261-62	2262-63	2263-64
2264-65	2265-66	2266-67	2267-68	2268-69	2269-70	2270-71	2271-72	2272-73	2273-74
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2944-45	2945-46	2946-47	2947-48	2948-49	2949-50	2950-51	2951-52	2952-53	2953-54
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Dr. J. H. H. H.



### Positions Vacant

**International Touristic Financing Co.**  
seeks  
**EXECUTIVE OF VERY HIGH LEVEL**  
To establish a company of hotel management.  
Candidates must have the following qualifications:  
1. University background  
2. Experience of at least 7 years at a high level of responsibility in an International Hotel management company.  
3. Several languages amongst the following: English, French, German, Arabic, Spanish, Italian, etc.  
4. Able to work at times under pressure, in a team, and at short notice.  
5. Fringe benefits can be substantial.  
6. Application will be considered in strictest confidence and a quick decision made.  
7. HAVAS CONTACT, No. 6956, 156 Old Habes-5005 PARIS, for onward transmission.

### Recently Qualified SOLICITOR

By City firm for interesting and demanding department dealing with commercial, industrial and conveyancing. Previous experience is not essential but enthusiasm and ability to work at times under pressure, is a God salary offered.  
Telephone 01-588 6435. REF. RLAI.

### VACANCIES

**OWN Planning Institute**  
are invited for the recruitment of a Planning Officer. The successful candidate will be responsible for the day-to-day running of the Institute and will be required to develop and maintain a high standard of service to members. The successful candidate will be required to have a minimum of 5 years experience in a similar position and will be required to have a good knowledge of the planning system. The successful candidate will be required to have a good knowledge of the planning system. The successful candidate will be required to have a good knowledge of the planning system.

### GENERAL VACANCIES

**ADMINISTRATIVE ASSISTANTS**  
THE BRITISH COUNCIL  
The British Council is seeking administrative assistants for its various offices. The successful candidate will be required to have a minimum of 2 years experience in a similar position and will be required to have a good knowledge of the British Council's work. The successful candidate will be required to have a good knowledge of the British Council's work. The successful candidate will be required to have a good knowledge of the British Council's work.

### MANAGEMENT TRAINEE

18-22  
Majority Entertainment Recruitment Ltd. is seeking management trainees for its various offices. The successful candidate will be required to have a minimum of 18 years experience in a similar position and will be required to have a good knowledge of the management system. The successful candidate will be required to have a good knowledge of the management system. The successful candidate will be required to have a good knowledge of the management system.

## ACCOUNTANT

### circa £5,000

#### VICTORIA, LONDON.

We are a small (T/O £1.5m) private company growing rapidly. Our continuing expansion has created the need for an Accountant (not necessarily qualified) to work with our Finance Director. Duties include preparation of regular P. and L. accounts, cash flow forecasts and development of our existing management information system. There are excellent prospects plus a non-contributory pension scheme and other benefits for the right candidate, who should have some commercial or industrial experience. Please write, including c.v. with sufficient details to make an application form unnecessary, to:  
G. D. R. Lambert, Finance Director, METTCLEAN LIMITED, 99 Roubek House, Stag Place, London, S.W.1.

## COUNSELLORS

One of Britain's foremost marital partner services are introducing a proven German system on to the UK market and require ambitious Counsellors, in all areas, to interview potential clients. Commission earnings can exceed £500 per month for the right person who must be aged 25-30, extroverted, of good appearance, mobile, with experience of marketing services, and understanding of human problems. Write with full c.v. and personal details and samples, in confidence, to: Tony Macdonald, Royds Recruitment Ltd., Royds House, Mansfield Place, London W1M 6AE. All applications replied to and treated as strictly confidential.

### GENERAL VACANCIES

**ROYAL COLLEGE OF SURGEONS SENIOR ASSISTANT**  
To administer the affairs of two important educational institutions. The successful candidate will be required to have a minimum of 5 years experience in a similar position and will be required to have a good knowledge of the Royal College of Surgeons' work. The successful candidate will be required to have a good knowledge of the Royal College of Surgeons' work. The successful candidate will be required to have a good knowledge of the Royal College of Surgeons' work.

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### UNIVERSITY APPOINTMENTS

**University of Western Australia**  
**PSYCHOLOGY**  
Applications are invited for the position of Lecturer in Psychology. The successful candidate will be required to have a minimum of 5 years experience in a similar position and will be required to have a good knowledge of the University of Western Australia's work. The successful candidate will be required to have a good knowledge of the University of Western Australia's work. The successful candidate will be required to have a good knowledge of the University of Western Australia's work.

### UNIVERSITY APPOINTMENTS

**University of Dundee**  
**POSTDOCTORAL BIOCHEMIST**  
To carry out research in the field of biochemistry. The successful candidate will be required to have a minimum of 2 years experience in a similar position and will be required to have a good knowledge of the University of Dundee's work. The successful candidate will be required to have a good knowledge of the University of Dundee's work. The successful candidate will be required to have a good knowledge of the University of Dundee's work.

### UNIVERSITY APPOINTMENTS

**University of Manchester**  
**RESEARCH STUDENTSHIP IN WATER ANALYSIS**  
Applications are invited for research studentships in water analysis. The successful candidate will be required to have a minimum of 2 years experience in a similar position and will be required to have a good knowledge of the University of Manchester's work. The successful candidate will be required to have a good knowledge of the University of Manchester's work. The successful candidate will be required to have a good knowledge of the University of Manchester's work.

### RENTALS

**GEORGE KNIGHT & PARTNERS**  
SPECIALIST AGENTS FOR RENTALS IN ALL NORTH AND NORTH-WEST LONDON DISTRICTS.  
9 North Street, London N.W.3.  
Telephone: 01-754 1123.

### RENTALS

**Kenwood THE LETTING PEOPLE**  
Tel: 01 402 2271/5  
Wanted: Senior American banker urgently requires luxury 4/5 beds, furnished house/flat in Wood, Hampstead area, £250 p.w. approx. for 2/3 years. Immediate inspections arranged. Please phone.

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### BBC 2

10.15 am, Open University: Diffusion of Dutch Elm Disease; 7.05, Curriculum Design and Development; 7.20, 7.25, 7.30, 7.35, 7.40, 7.45, 7.50, 7.55, 8.00, 8.05, 8.10, 8.15, 8.20, 8.25, 8.30, 8.35, 8.40, 8.45, 8.50, 8.55, 9.00, 9.05, 9.10, 9.15, 9.20, 9.25, 9.30, 9.35, 9.40, 9.45, 9.50, 9.55, 10.00, 10.05, 10.10, 10.15, 10.20, 10.25, 10.30, 10.35, 10.40, 10.45, 10.50, 10.55, 11.00, 11.05, 11.10, 11.15, 11.20, 11.25, 11.30, 11.35, 11.40, 11.45, 11.50, 11.55, 12.00, 12.05, 12.10, 12.15, 12.20, 12.25, 12.30, 12.35, 12.40, 12.45, 12.50, 12.55, 1.00, 1.05, 1.10, 1.15, 1.20, 1.25, 1.30, 1.35, 1.40, 1.45, 1.50, 1.55, 2.00, 2.05, 2.10, 2.15, 2.20, 2.25, 2.30, 2.35, 2.40, 2.45, 2.50, 2.55, 3.00, 3.05, 3.10, 3.15, 3.20, 3.25, 3.30, 3.35, 3.40, 3.45, 3.50, 3.55, 4.00, 4.05, 4.10, 4.15, 4.20, 4.25, 4.30, 4.35, 4.40, 4.45, 4.50, 4.55, 5.00, 5.05, 5.10, 5.15, 5.20, 5.25, 5.30, 5.35, 5.40, 5.45, 5.50, 5.55, 6.00, 6.05, 6.10, 6.15, 6.20, 6.25, 6.30, 6.35, 6.40, 6.45, 6.50, 6.55, 7.00, 7.05, 7.10, 7.15, 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# THE TIMES

August 13 1977

## Falling inflation figures boost Government hopes

month for three years against inflation, July caused an upsurge of interest rates are down again and there is hope that cuts in mortgage rates are on the way. Several more good months are expected.

## Interest rates down again

The Secretary of State for Prices, visited the Birmingham Ladywood by-election at a time to coincide with the first good news he has had since taking over. Ministers feel that showing that inflation is on the way down will also help them to bring it even lower in future, since they hope that this will lead to lower wage demands and thus less cost pressure on prices. They are now confident that inflation will come down continuously to around 12 per cent by the end of the year, and will be in single figures by the Spring or early Summer next year as long as the Chancellor's 10 per cent target for wage increases is respected. Nor is there much concern about the slightly less than expected improvement in the trade figures, which yesterday showed a £256m trade deficit in July. After allowing for a £220m surplus on invisibles such as tourism and shipping, the current account deficit was £36m. There was some disappointment in the City about this, and the pound seemed to ease slightly against the dollar as a result. However, it had made such gains earlier in the day that its effective rate against a mixture of other currencies ended at 62 per cent of its 1971 level, up 0.1 per cent on the day. Much of the gap between promise and achievement on our trade account can be explained by special factors which are likely to improve later in the year, and the growing stream of North Sea oil surplus at the end of this year or the beginning of 1978. The one irredeemably bad statistic to be produced yesterday concerned industrial production, which fell very sharply in June and seems to have been falling generally throughout the second quarter of this year. Some of the June decline can be explained by the Jubilee 10 day holiday, and there were hold-ups of production in the North Sea because of the need to do routine maintenance work. Even after these excuses have been allowed for, however, the trend was clearly down from the level reached earlier this year, which in itself reflected the extraordinary listlessness of the economy. Industrial output of all is now almost back to the level of 1970 and is well below even the figures being recorded during the three-day week. Although some recovery is expected later this year it is expected to be slow.

Minister confident, page 2  
Leading article, page 13  
Business News, page 15

## 'shot' in French s hijacking

A hijacker plane virus passengers and a based and one Italian police officer's cabin the seizure of unded at Brindisi, Italy, after being Sicily. The aircraft had been radioed that the 11 minutes' fuel reported to be about 20 per cent of the aircraft in fuel. It was on a flight to Rome with a stop at Rome, according to ce. passengers were Egyptian. The first attempt to hijack the aircraft, Libya, but permission to land at Rome was refused. It was later flown to Entebbe, in Uganda, where Israeli commandos carried out a spectacular air-sea rescue operation. Agence France-Presse, UPI and Reuter.

## Spain faces strike of hotel staff

From Harry Debellus Madrid, Aug. 12  
Hundreds of thousands of holidaymakers on the Costa del Sol and the Costa Brava may have to make their own beds, carry their own bags and serve themselves, as hotel employees' strike threatens to spread. Their salaries range from £123 to £240 a month, depending on category and experience. They are demanding an additional £48 a month, a 30 per cent wage rise for the lowest paid, and a 20 per cent rise for the highest paid. The work stoppage is already interfering with service in Coruna, in the north-west, and in Saragossa. In Cadix, in the south-west, the hotel employees say they will walk out tomorrow morning. They win satisfaction, and on the Costa del Sol they plan to walk out on Sunday. The Costa del Sol, one of the Spanish tourist areas most favoured by British holidaymakers, employs 16,000 people as hotel staff and offers 200,000 tourist beds. In Llorca de Mar, the favourite Costa Brava town for British visitors, hotel workers are making the same demands but they have not yet fixed a deadline for the walkout. Llorca is Spain's third biggest tourist town in terms of hotel beds, after de Majorca and Benidorm. In Palma, tourism officials reported that 3,000 tourists on board 15 aircraft, had been turned back from the island because of overbooking. The strike threat comes at the busiest time of the year for the tourist industry, and at a moment when business was beginning to look much better than it did last year.

## ans to give Panama a under canal pact

Aug 12—President Carter today announced that the United States would give up to \$295m in credits for the Panama Canal pact. The financial package will become available on Panama as the canal is being transferred gradually to its control, subject to ratification of the new treaty. President Carter said in a statement he read to reporters that the United States and Panama would study jointly the feasibility of building a new sea-level canal linking the Pacific and Atlantic through Panama.—Reuter.

and seize quick wickets  
an wickets fell for 67 runs in minutes on the second day of the match at Headingley, the captain, four. England had earlier total to 436. Boycott, the scored 191, having batted 20 minutes. He had taken 123 for the with Knott. Page 16

## oil price set

of Alaskan oil, including oil, look set to achieve storm on the operations as price levels agreed by the Federal Energy Page 15

## war

attles along the Vietnamese border have been confirmed, but it is not clear if the forces of the two states are fighting each other they are fighting anti-guerrillas Page 4

## Grouse at £5.50

Some of the first grouse of the season were sent 450 miles by aircraft and motor cycle from Perthshire to the Savoy Hotel in London, where diners later paid £5.50 a portion. Agony and ecstasy, Page 12

## Falcon theft fines

Four men were fined in London for illegally possessing a wild peregrine falcon that they had taken from its nest in Scotland. Page 3

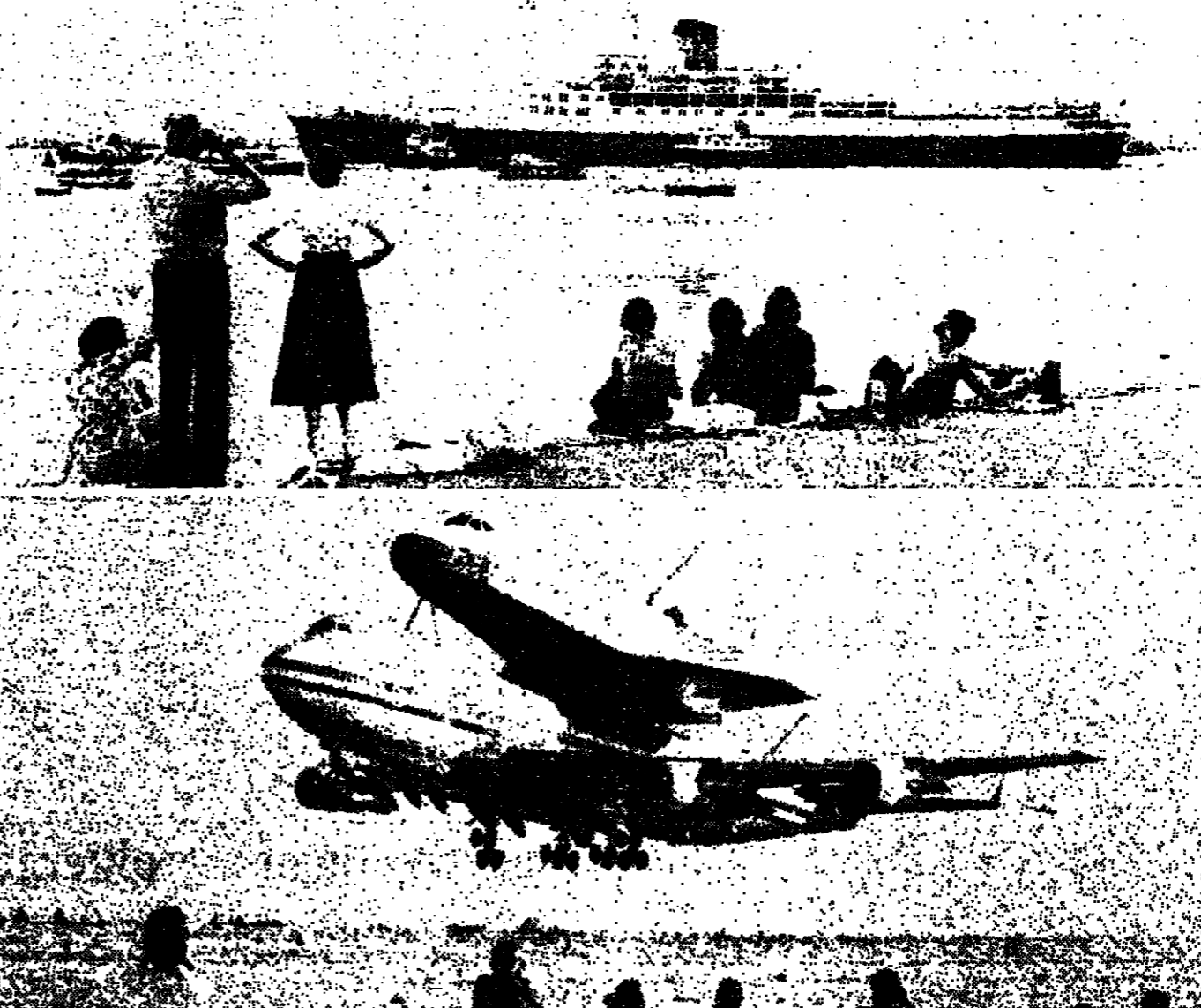
## The Queen takes a rest after 8,000 miles on the road

The Queen is today on board the royal yacht bound for Balmoral and a well earned rest. After visiting the Ninian Loch Carron, she will have her first long break from public duties since she started her silver jubilee tours with the departure for Western Samoa in February, nearly 200 days ago. There has been speculation about the incessant round of jubilee engagements and the toll it has taken on the Queen's stamina. Yet on the day that the Sunday Mirror was reporting that the Sovereign was "fagged out" by the almost killing pace she celebrated a day off on Lundy Island, climbing 300ft cliffs and then taking a three-mile walk. That is not, of course, to say that the Queen has not been tired from time to time. In the 100 days of her continued Kingdom tour alone she has travelled some 8,000 miles and kept 800 jubilee engagements. The programme included 23 formal luncheons and a baker's dozen of dinners, yet the Queen has managed to keep her weight at its normal trim eight stones, and to economize by wearing several outfits ordered from her couturier, Sir Norman Hartnell, last year. Those who accompanied the Queen attest that she is a practical, resilient woman. She knows well how to conserve her energies and how to recover her strength with healthy exercise after the rigours of public engagements. Buckingham Palace has been particularly impressed by the statistics of the jubilee jollifications. Nobody knows how many the Queen has shaken in the past few months, but nobody doubts that, despite the usual royal practice of only shaking hands with people who are met by invitation, it was more than the 3,000 or so that were forecast. At any rate, she needed an average of four pairs of white gloves a day to cope with the job. More than 50,000 letters and 200,000 telegrams have arrived at Buckingham Palace. The Queen's staff have been particularly impressed by the number of poems that well-wishers have sent in. Several thousand have been received. There have been thousands of presents too, now laid out in one of the larger rooms in Buckingham Palace. The Queen has not had time to examine

## As the Queen sails to Balmoral for a break, Robin Young looks at how she has coped with the strains of the jubilee.

most of them yet; nor will she have until November, because after Balmoral she has only a few days in London before departing for Canada and the Caribbean. Among the odder gifts the Queen received was a skull from Papua New Guinea and a child's teddy bear, thrust into her hands by a small boy outside Portsmouth guildhall. There have also been thousands of home-made things, such as dolls, knick-knacks, pieces of beadwork, woodwork and sewing, to set beside the formal presentations such as the silver coffee pot from the Prime Minister and the Cabinet, and the specially commissioned set of plates portraying the Queen's horses and dogs which was the gift of the Royal Household. Exhausted as she may have been occasionally by the tour, the Queen cannot fail also to have been exhilarated

Crowds larger than those on VE Day or at the Coronation thronged London's streets for the procession to the jubilee thanksgiving service. Hundreds of thousands greeted the Queen on her progress up the Thames. Millions cheered her during the six regional tours. As the Queen said at the jubilee lunch at Guildhall, she enjoys her official duties. "When I was 21 I pledged my life to the service of our people and I asked for God's help to make good that vow. Although that vow was made in my salad days when I was green in judgment, I do not regret nor retract one word of it." The memories of those who have accompanied her in the unflagging round of her engagements are of thunderous cheers, waving flags, beaming faces, and of the Queen's own unflinching smile. Leading article, page 13



Age makes way: The Windsor Castle sailing yesterday on her last voyage to South Africa and, in California, the space shuttle orbiter off for its first free flight (report, page 4).

## Sticky going at London talks on Rhodesia

By David Spanier  
Diplomatic Correspondent  
Dr David Owen, the Foreign Secretary, and Mr Cyrus Vance, the American Secretary of State, both declared that their discussions yesterday on Rhodesia had been very good. But the impression conveyed at a press conference last night was that the going had been very sticky, and that nothing of substance had really been accomplished. The talks, joined by Mr R. F. Botha, the South African Foreign Minister, lasted six-and-a-half hours and concentrated on the very detailed proposals of the Anglo-American plan for a constitutional settlement. But although it is intended to publish these proposals, no decision was taken yesterday on the timing. It seems likely that Dr Owen will go to southern Africa for further talks later this month. On the crucial question of whether Mr Botha undertook to lend South African support to the principle of one man one vote in Rhodesia, no answer was forthcoming. Dr Owen said that it was up to the South African Government

can's response to the complete proposals and that he hoped it would be positive. Total power: Bishop Abel Muzorewa, leader of the African National Council, said yesterday that nobody should be under any illusions about the council's objectives in Rhodesia. He told a London press conference: "We are interested in total political power, and not half measures. Our mandate is to take complete power for our people and not to dispense it to anyone else." Photograph, page 4

can's response to the complete proposals and that he hoped it would be positive. Total power: Bishop Abel Muzorewa, leader of the African National Council, said yesterday that nobody should be under any illusions about the council's objectives in Rhodesia. He told a London press conference: "We are interested in total political power, and not half measures. Our mandate is to take complete power for our people and not to dispense it to anyone else." Photograph, page 4

## Police stand by for race march violence

By Robert Parker  
One of the largest police operations of its kind is being organized in Lewisham, south London, today, for a controversial march by the National Front and an opposing march by the All Lewisham Campaign Against Racism and Fascism, an all-party group. At least 2,000 police will be in the borough, more than were at the Worling Hill Carnival last year, and in reserve the police will have about 200 shields and helmets. Hospitals in the area have been told to prepare for many injured people. Lewisham council has moved old and disabled people away from potential trouble spots, and public buildings, shops and public houses on the routes have been closed or boarded up. Last night Mr Roger Goddard, Mayor of Lewisham, who has been trying to get the price the borough was paying for the National Front's right to hold a march was too high. "The bill already must number thousands of pounds and if there is the damage and the violence I fear there will be, the cost will be much higher," he said. "Who is going to pick up the bill? It will of course be the ratepayers, who do not want the march or the disruption, violence and intimidation it will no doubt bring." Emergency teams of council workmen will be on hand, switchboards are to be fully manned, and four observation posts have been set up. Mr Goddard explained that councilors and officials would man the observation posts. "If the thing does explode, then we want to be able to give eye-witness accounts for 20 soldiers inquiry like the one after Red Lion Square." Highest estimates from both sides indicate that 10,000 people

Continued on page 2, col 1

## Harley Street treats wounded Libyan soldiers

By Stewart Trender  
Libyan soldiers wounded during the recent fighting with Egyptian forces have been flown to Britain and are receiving private treatment at a number of London hospitals. The British Embassy in Tripoli issued accounts for 20 soldiers and one party arrived on August 4. Five of the men are staying at the Harley Street Clinic. Yesterday, a spokesman for the clinic said the men were suffering from a variety of wounds. A number of men have been operated on and it is believed that the Libyans sent their men to Britain because although the country has hospital facilities there are not enough surgeons and other skilled staff. Charges at the clinic range from £50 to £100 a day for nursing, accommodation and food. Medical treatment is a separate cost. Another three men were admitted to the Italian Hospital in Bloomsbury but one of them has since died. The Home Office said yesterday that the Libyans had entered Britain in the normal way, having fulfilled the necessary requirements for entering the country to receive medical treatment.

## SPANISH SPEAKERS WANTED

Seville, or similar oranges are required to fill an important post at Chivers: Chivers Olde English marmalade is thick. Applicants should be thick-skinned, large and juicy and be capable of making a big contribution to maintaining the standard of Britain's most delicious marmalade. Send your resumé to: The Director of Oranges, Chivers, Bournville, Birmingham B30 2NA.

**CHIVERS**  
Are you orange enough?  
Or thick enough?

## Air control assistants call off work-to-rule

British Airways was concerned last night that unspecified action by engineers protesting against the dismissal of a shop steward might affect flights today or tomorrow. Air traffic control assistants were considering a plea by Mr Len Murray, general secretary of the TUC, to end their work-to-rule. Page 2

## 20,000 made homeless

The blunt end of a bulldozer has been used to enforce the policy of apartheid near Cape Town in the destruction of a squalid shanty town, leaving 20,000 blacks homeless. Nobody knows where most of them have gone. Page 4

## Home improvements: The Government is to make an extra £30m available to increase home improvement and renovation grants

Paris: Anti-gang police squad win over French police by prompt rescue of banker from kidnappers. Page 3

## Bridge champions

Sweden are the new European open bridge champions, a title they have not held since 1952. The Italians came second, losing their third important bridge title in 15 months. In the women's series, the British team finished second to Italy. Page 14

## Lucas toolmakers' strike continues

Shop stewards for 1,200 Lucas toolmakers, whose strike is causing widespread lay-offs at British Leyland car plants, voted to continue the stoppage. Earlier, a meeting at the Advisory, Conciliation and Arbitration Service failed to produce a settlement. Page 15

## Bridge champions

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## Letters: On the quality of architecture, from Mr Gordon Graham; on the Think Tank report, from Mr Alan Hill; and on a special honour for the Queen, from the Reverend Peter Lister

Features, page 5-9, 12  
Barbara and Eugene Levin on the taste of England, our West. George Hutchinson on the child labour that produces Moroccan rugs  
Arts, page 7  
Daniels on "London and the Thames" at Somerset House; William Mann on Siegfried at the Coliseum; Michael Ratcliffe on Festival 77  
Sport, pages 9-11  
Cricket: Kent regains lead in county championship; Yorkshire's success for Britain in Admirals Cup and Fastnet Race; Athletics: Britain can finish second in the European Cup final  
Business News, pages 15-19  
Stock markets: Disappointed with the trade figures equities lost ground and the FT index closed 5.7 lower at 472.5  
Personal investment and finance: Margaret Stone on why building society borrowers should look carefully at the terms before they save

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Business	15-19						







# Saturday Review

## ath actor

better actor  
of us',  
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rother Frank,  
aged 23, in  
h the Royal  
rps 60 years  
ednesday.  
Pocock, his  
arates the  
he legend

I tell you what  
neen when Frank  
killed?" Russell  
would ask in old  
on the morning  
France, the young  
his squadron were  
the graveside. Then,  
hplains reached the  
Lord gave and the  
taken away. There  
aeroplane engines  
Frank's friends  
look out. Here they  
on Richthofen.

German aeroplanes  
the churchyard,  
strenned themselves  
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ll. But none came.  
von Richthofen's  
ie flew overhead,  
urels fell from it on  
ave.

gend of his young  
he fallen here was  
star Sybil's lament  
star of the theatre,  
epoated. "Darling  
as the one", said

Thorndike, once  
before her death  
"He was a better  
y of us."

I agreed, writing at  
at Sybil's always  
it if Frank had not  
the War he would  
her hollow on the  
quite honestly I  
is right. He was  
what people renece  
stage than Sybil

i of Frank Thorndike  
and urbane,  
singer—had faded  
like all experience  
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the horizon of liv-  
y. Then, after  
n, her son John  
ho could just  
is uncle as a large  
figure in Khaki,  
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e letters and a life  
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son knew of his  
rical promise and,  
if a pilot in the  
arm, had shown a  
interest in his  
in aviation. But  
the Air Ministry  
sted that Frank  
ad not been killed  
in an accident  
titled lack of train-  
the bold legend  
ce was by then  
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is relations began  
or other evidence  
id some, no longer  
mories but in other  
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rorism and Edward  
s. Perhaps because  
was away from home  
boarding at St  
school, where he  
chorister of the  
al and Queen Vic-  
rite soloist. Frank  
to his sister Sybil.



Chinese Coolie—  
Mr. FRANK THORNDIKE.

Simpson—  
Mr. SYDNEY VAUTIER.

SIMPSON: "I caught him marching up the gang plank with a chest containing kerosene disguised as a chest of tea."



Thorndike in uniform: an heroic legend was woven around him.

She hoped to be a concert  
pianist and she taught Frank  
to play the piano and, later,  
he followed her to the Guild-  
hall School of Music, where he  
became a cellist.  
In family theatricals, Frank,  
the youngest, could hold his  
own and even up-stage his  
elders. As the villain in a  
Sherlock Holmes play, he stole  
the climatic scene by slowly  
eating a cigar which the  
audience could not know to be  
chocolate. After running away  
from boarding school, he was  
allowed to follow Sybil and their  
sister, Eileen, to the Central  
School of Dramatic Art, where  
the principal, Elsie Fogerty,  
thought that he would become  
"one of our most brilliant  
younger players."  
When he was to lunch with  
his school comedy Vice Versa,  
which Sybil's husband, Lewis  
Casson, was producing, he was  
seen by Sir Gerald du Maurier  
and invited to join his com-  
pany as "Master Frank Thorndike."  
So, before he was 20, Frank  
had acquired considerable  
panache, of which two stories  
survive.

When he was to lunch with  
his theatrical impresario, and  
knowing that they were to walk  
together to a certain restaurant,  
he tipped the doorman of other  
restaurants and smart hotels  
along their intended route so  
that, as they passed, each  
would salute and greet him  
with "Good morning, Mr  
Thorndike. Nice to see you  
back in town."

On another occasion, he and  
Russell borrowed flamboyant  
but identical clothes from a  
theatre wardrobe and conspic-  
uous in these, approached each  
other from opposite ends of  
Piccadilly, to meet with  
delighted surprise and cries of,  
"My dear chap, we can't have  
met for 10 years!" The only  
object of this, Russell would  
explain, was the hope that those  
who saw the encounter, would  
tell their friends, "I saw a most  
extraordinary thing today..."

In 1913, when 19, Frank was  
with Matheson Lang's company,  
playing in the melodrama *Mr  
Wu* with Lilian Braithwaite and  
Lang himself at the Strand  
Theatre. Russell, now 28, was  
an experienced actor, having  
toured in Africa and Asia with  
Lang's company and in America  
with Ben Greer's; he was start-  
ing to write novels and had just  
finished an historical thriller  
about a smuggler-parson, *Dr*

Syn. Because, he said, it was  
the easiest way to enjoy free  
riding in London, he had joined  
the Westminster Dragoons, a  
Territorial yeomanry regiment  
favoured by robust young  
actors. Next summer, war broke  
out.

Russell was called up and,  
Frank, without a word to his  
family, enlisted in the same  
regiment, which was then  
camped in Vincent Square, a  
few minutes' walk through  
Pimlico from their father's  
church, St James the Less, and  
his vicarage in St George's  
Square. The brothers took to  
soldiering, proud of being nick-  
named "The Cavalry Twins".  
waving to Sybil as she walked  
her three small children past  
the camp and arranging for the  
girls of the period to bring  
them coffee and pies when on  
night guard.

That summer, the regiment  
was ordered to the Middle East  
and the brothers left home like  
heavy crusaders. After seeing  
them ride away, Lewis Casson,  
an intellectual nearing 40 and  
a passionate socialist, was so  
moved that he, too, enlisted in  
the ranks. The early enthusiasm  
did not fade despite the dis-  
comforts of Army life. In  
Egypt, where the brothers were  
first stationed.

"We have royal slaughters of  
bugs in the Barrack Room",  
wrote Russell to his astounded  
mother at the vicarage. "Yes-  
terday I saw sixty-seven jarvis  
chickens full of my blood." Now  
I know what the Bondage in  
Egypt was like. But they were  
excited by Egypt; risked by  
squadrons through the streets  
with drawn sabres in a show  
of force, or riding camels round  
the Pyramids by starlight when  
the Frank and I felt like the  
pilgrims of the Wise Men from  
the East."

Early in 1915, Frank had an  
operation for appendicitis, and  
while recovering in the comfort  
of the Anglo-American Hospital  
by the Nile, where his kindly  
colonel had sent him, he and  
Russell planned for the future.  
Together they would write and  
produce plays and act in them  
and so, perhaps, would Sybil,  
Eileen and Lewis.  
"Russ and I are so deter-  
mined to get on and make a lot  
of money and a great name that  
absolutely nothing short of an  
earthquake can stop us," wrote  
Frank to his parents. "We have  
had our lesson and the war can

stop now when it likes, the  
sooner the better. The first  
reason why we are going to  
make a lot of money is so that  
we can give you two darlings a  
good time..."

"We have had the will to do  
big things before we left home  
but not the guts. Now we've got  
not only the guts but the spirit  
and life and enough energy to  
set London on fire..." By  
gum we'll do it, you just wait  
and see. It will be a hard blow  
that will knock the stuffing out  
of us now. Ask cousin Emily to  
tell my fortune, mother."

Russell was awaiting the first  
reviews of *Dr Syn*, which had  
just been published in London  
and New York, but, before they  
could arrive, the regiment was  
drafted to Gallipoli where the  
Allied landings had begun in  
April. The Dragoons were to  
fight as infantry and the Thorndike  
brothers were in the  
machine-gun section, carrying  
the cumbersome weapon across  
the rocky hills of the peninsula  
in the heat of high summer.

Both continued to write  
home: Frank's letters, short  
and jaunty; Russell's long, de-  
tailed and full of concern for  
his young brother. There was  
a shortage of writing-paper in  
the trenches, so Russell wrote  
on the backs and around the  
edges of letters he received.  
One such, written in September, is on the  
back of a letter from Curtis  
Brown, the literary agent,  
beginning, "The enclosed  
review of *Dr Syn* in *The Times*  
*Literary Supplement* ought to  
give you goosebumps."

On the back is neatly  
written in pencil, "I am writing  
on the back of a spade for a  
table. This morning we lost  
our new officer. He was shot  
crawling out of the trench to  
give a dead man's rifle."

"The other night Frank and  
I volunteered with our officer,  
who is just killed, to creep  
out and bury a dead Engineer  
who was close to our trench.  
It really was a gruesome job  
as the snipers kept on shooting  
and the ground was hard and  
the picks made the sparks fly  
which showed our position. But  
we buried him, poor fellow,  
three feet down, where he lies  
without Benefit of Clergy, but  
giving a hero's most compensate  
for lack of decent burial."

The regiment had had to  
advance over open ground  
under heavy fire. "From every  
bit of cover on the hills cannon  
thundered down on us as we  
advanced in Brigades across  
that hell of a plain," wrote  
Russell. "Shrapnel and shell  
were everywhere and on just  
when we were passing through  
a Church spire, and on, Frank  
and I walked together and  
imagined that it was Saturday  
afternoon and in London and  
we were going up to the  
Theatre for the Matinee. At  
one time we found ourselves  
humming the chorus of 'On-  
ward Christian Soldiers' and I  
thought I could hear Father in  
Church saying, 'Despise not  
Thou the sighing of a contrite  
heart nor the desire of such  
to be sorrowful.' We thought  
of odd little bits of Shake-  
speare, too. There was no  
panic. The Regiment might  
have been on Church Parade,  
though very soon chaps began  
genuine knocking over."

Then all the scrub through  
which we were passing caught  
fire and we had to run and  
dodge because we had got into  
rifle fire as well—how we  
weren't hit was a miracle.  
God was very merciful in bring-

ing us across the open country  
safely. God seems quite near  
to us here and we feel and  
know that He is looking after  
us for you."

"We can see hundreds of  
dead this morning. Certainly  
Englishmen are being brave out  
here."

After a few weeks in the  
trenches, Frank went down with  
dysentery and was shipped back  
to Egypt. Russell's sorrow at  
their parting tempered with re-  
lief that he was out of the fight-  
ing. Soon after, Russell himself  
was badly injured when a  
machine-gun fell on to his back,  
fracturing his spine, and he,  
too, was sent to a base hospital.  
Early in 1916 the brothers were  
both back in England.

Recovered from a fever and  
jaundice, Frank was commis-  
sioned into the Lincolnshire  
Yeomanry and cut a dash in  
riding-streets and stock.  
Russell, brooded and looking  
prematurely aged, was invalided  
out of the Army. He returned  
to acting and joined Sybil at  
the Old Vic, where he became  
the first actor to play King  
John, Richard II and King Lear  
for Lilian Baylis.

Now they were occasionally  
able to resume snippets of fam-  
ily life at the vicarage. Lewis  
Casson was now serving in  
France, so the brothers paid  
particular attention to Sybil,  
inviting her out to dinner and  
urging her to take more trouble  
about her appearance. Once,  
Frank teased her: "Now, you  
are coming out to dinner with  
your two charming brothers at  
a decent restaurant. For God's  
sake dress yourself for once  
like *Tortie Coughdrop* and not  
like a Mary Jane."

That evening, Sybil appeared  
with whitened cheeks and crim-  
son lipstick and a dashing hat  
pulled down over her eyes,  
looking as Russell said, "like  
what Frank calls a 'What-have-  
you?'". Later, a neighbour told  
their father that he had seen  
his sons out in the West End  
with a fast-looking girl but that  
perhaps one should not be too  
strict with young men in war-  
time.

Frank was stationed with his  
new regiment in Norfolk, com-  
pulsorily near to Norwich, and  
his jovial uncle the Bishop of  
Thetford with whose family the  
Thorndikes had staged country-  
house theatricals. It was a  
gentle life and something of  
the actor emerged in the infan-  
try instructor. He told Russell  
in one letter that he had for-  
gotten that he was to lecture  
on the technicalities of trench  
warfare, something that he had  
experienced, but never studied.  
So he had found himself enter-  
ing a lecture-hall without know-  
ing what he was going to say.

"I somehow gasped out,  
'Carry on!' he wrote, "and  
walked to the far end of the  
room and took up a strong  
position..." But was a Thorndike  
ever daunted when in  
front of a hostile audience?  
Shrieks of 'No!' So, to carry  
on... First remark, 'You  
may smoke.' Coat slowly taken  
off and given to a man near  
to put down. Hat laid on table,  
also crop and gloves. Watch  
slowly taken out of pocket and  
also placed gently on table.  
Then, 'No talking please.' Then  
dead silence. Cue to start and  
this is how I began, 'Now, I'm  
not going to give you a techni-  
cal lecture on trenches to-  
night as it would be very dull  
and of not much use to you as  
you would not remember it. So,  
after giving you one or two  
descriptions of the different

trenches you are likely to meet  
with, I will give you a few  
instances of my own experi-  
ences on the peninsula' and so  
on. Believe me, I went on talk-  
ing for an hour and a quarter  
at the end of which burst an  
enormous round of applause,  
quite an unheard of thing for  
a lecture."

In early summer, however,  
his mood changed as news  
arrived of appalling casualties  
in the opening of the July  
offensive on the Somme. Three  
weeks later, Frank wrote to  
his father: "I thought I had  
better write and tell you—then  
you can do as you like about  
telling mother until it's quite  
settled—that my name has gone  
in for the Flying Corps. I  
was being produced, and was  
invited to play the small part  
of Young Sward for one even-  
ing. So his final performance  
on the stage was to fight and  
lose the duel with Macbeth,  
then fall and die a hero's death  
as Ross consoled Old Sward."

He was trained at Northolt  
outside London and granted his  
Aviator's Certificate by the  
Royal Aero Club in May, 1917.  
He was sent on embarkation  
leave and then, with little more  
than four hours' solo flying  
in training aircraft in his log-  
book, posted to an operational  
fighter squadron in France.

While on leave, Frank visited  
Russell and Sybil backstage at  
the Old Vic, where *Macbeth*  
was being produced, and was  
invited to play the small part  
of Young Sward for one even-  
ing. So his final performance  
on the stage was to fight and  
lose the duel with Macbeth,  
then fall and die a hero's death  
as Ross consoled Old Sward.

His son, my lord, has paid a  
price, but his letter de-  
scribing it to his father has been  
lost, although Canon Thorndike  
replied, wondering at "the  
turning and twisting and tumb-  
ling about you have had in the  
air," has survived. The realities  
of air combat—the choice of  
burning or jumping that could  
face pilots without parachutes;  
the risk of aircraft breaking up  
in the air from the stress of  
violent handling in action; the  
duels with machine-guns at a  
hundred yards or less—gave a  
ghostly immediacy to the  
statistical odds against survival.

In his last surviving letter to  
Russell, Frank's handwriting  
sloped backwards instead of  
forwards and there is a feeling  
of tension that extends to  
mentions of "Froggie": "I  
wish to God she was really in  
love with me." But so little  
evidence remains that specu-  
lation becomes inevitable. This  
suggests that, apart from the  
obvious apprehensions of a  
fighting pilot, he probably  
worried about his observer—a  
young officer named Drake—  
whose life would depend upon  
his own skill, or lack of it, in  
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Then, on August 15, the  
official casualty returns—now in  
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that 2/Lt. F. H. Thorndike and  
2/Lt. M. H. Drake took off in  
their Bristol fighter on an  
offensive patrol. "Left aero-  
drome at 5.22 am", it reads.  
"Machine stalled in turning  
and crashed at 6.40." Accord-  
ing to his nephew's later  
inquiries, Frank had flown into  
cloud and, without sophisticated  
navigation instruments, may  
have turned too sharply, stalling  
the aircraft and throwing it into  
a spin from which he could not  
recover.

Neither man was killed.  
Drake only suffered concussion  
and Frank was removed from  
the wreckage apparently only

To meet this threat, the  
squadron was being re-equipped  
with the new Bristol fighter.  
Powered by a Rolls-Royce  
engine, this was a two-seater,  
armed with one machine-gun  
fired by the pilot, through the  
propeller-blades, with  
which it was synchronized,  
and another fired to the sides  
and rear by the observer. So,  
on his arrival at Bellevue,  
Frank Thorndike discovered  
not only that he had to master  
the skills of air combat in  
action but do so in an un-  
familiar aircraft, more power-  
ful than any trainer he had  
flown.

Soon after, he made a crash-  
landing, surviving without  
injury but instantly regretting  
that he had worried his family  
by sending them a telegram to  
reassure them of this. The few  
letters that survive from the  
coming weeks seem resolute  
but lacklustre. "The last two  
days have been real duds —  
awful wind and rain," he  
wrote to Russell in July. "I am  
very pleased as this has given  
me a chance to get over my  
crash."

The squadron was engaged in  
offensive patrolling, reconnais-  
sance and ground-attacks and  
there were almost daily en-  
counters with enemy Albatross  
scouts. "I have a shock day  
today as I was on two shows  
yesterday," he wrote. "I  
haven't had any very exciting  
scraps yet but expect I shall  
before long. Do you know what  
parts you are playing at the  
Vic next season of the  
Bos?"

Soon after he was in a major  
air battle but his letter de-  
scribing it to his father has been  
lost, although Canon Thorndike  
replied, wondering at "the  
turning and twisting and tumb-  
ling about you have had in the  
air," has survived. The realities  
of air combat—the choice of  
burning or jumping that could  
face pilots without parachutes;  
the risk of aircraft breaking up  
in the air from the stress of  
violent handling in action; the  
duels with machine-guns at a  
hundred yards or less—gave a  
ghostly immediacy to the  
statistical odds against survival.

In his last surviving letter to  
Russell, Frank's handwriting  
sloped backwards instead of  
forwards and there is a feeling  
of tension that extends to  
mentions of "Froggie": "I  
wish to God she was really in  
love with me." But so little  
evidence remains that specu-  
lation becomes inevitable. This  
suggests that, apart from the  
obvious apprehensions of a  
fighting pilot, he probably  
worried about his observer—a  
young officer named Drake—  
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a spin from which he could not  
recover.

Neither man was killed.  
Drake only suffered concussion  
and Frank was removed from  
the wreckage apparently only

with a compound fracture of  
the left leg and a simple  
fracture of the right. On the  
17th a telegram reached the  
Pimlico vicarage with the news  
that he had been "seriously  
wounded" but, next day, a  
letter arrived from an Army  
chaplain to say that he had  
seen Frank in the casualty  
clearing station and that he  
would recover. Canon Thorndike  
at once wrote to his son a  
deliciously happy letter, in  
which he expressed his joy that  
he was overwhelmed by joy that  
he would take no further part  
in the war.

"Well, you are literally tied  
by the legs now", he wrote.  
"No more running about after  
sweethearts and other amuse-  
ments... What a splendid busi-  
ness you have done with your  
legs... Well, God has been  
very good to us in keeping you  
from being either completely  
squashed up or a prisoner or  
reached of the Bos."

Frank Thorndike was already  
out of reach. Although his  
injuries had not seemed mortal,  
he lost consciousness and died  
on August 17. He was buried  
in a cemetery near Duisans  
between two soldiers who hap-  
pened to die on the same day.  
His father's joyous letter was  
returned marked "Deceased".

The news reached the vicarage  
just before evensong. Canon  
Thorndike took the service as  
usual but his wife broke down  
and was unable to accompany  
him to play the organ. Her  
place being taken by Sybil.  
John Casson remembers  
"nannie" coming into the  
parsony to tell us that Uncle  
Frank had gone to join the  
fairies."

The Canon threw all his faith  
and courage into proclaiming  
the glory of dying for England  
and for his son's memorial ser-  
vice insisted that his church be  
decorated as for a festival and  
that triumphant music be  
played; choosing the lament for  
Young Sward as Frank's  
epitaph. But the effort was too  
much and, shortly before  
Christmas, he sang the vestry  
hymn before evensong in St  
James the Less and, as the  
choir sang their amen, col-  
lapsed and died of a failed and  
broken heart.

Sybil and Eileen staged them-  
selves with their busied careers,  
the former comforted by Lewis,  
who, now a major in the Royal  
Engineers, had survived a  
wound. Russell, it is said,  
never fully recovered from his  
loss, and until his death in 1972,  
spoke of Frank as if he just  
did not happen to be present.  
He became an actor of authority  
and for his son's memorial ser-  
vice insisted that his church be  
decorated as for a festival and  
that triumphant music be  
played; choosing the lament for  
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choir sang their amen, col-  
lapsed and died of a failed and  
broken heart.

He hid his grief by telling  
the heroic legend, which was  
told and heard as such and  
as the literal truth. And when  
he was asked whether he  
had really come back to  
his family, Russell would  
"Indeed he did. He and  
a pact that whichever  
first would come back  
the other. Well, do you  
on the very night he  
suddenly woke up to  
mouse sitting beside  
pillow. I tried to say  
it was Frank."  
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7.00. News. 7.04.  
 Way. 7.30. Voices  
 with Lord Longford. &  
 Smetana. Strauss, Be  
 News. 9.03. Lorda Don  
 Blackmore. Part 1. 9.  
 10.00. News. 10.15. 7  
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 11.35. News. 12.03-1.  
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## Bridge A little luck

Terence Reese's latest book, *Bridge at the Top* (Faber & Faber, £4.25) is a curious mixture of life story as he recalls it, interesting details, and anecdotes linked with a gentleness which is alien to him in his customary references to other masters. He once reviewed a book entitled *Contract Bridge in Twenty Lessons* by... with the sentence "The author should hasten to take them". In these memoirs he appears to be saying: "Here am I, a better writer than most; form your own conclusions from the facts which the expert is creating. Unfortunately, the book is incomplete. What has been given to the bridge world that others have not already given in equal, if not greater, measure? Certainly, nothing like as much as Victor Mollo claims for Jack. Has he, like Charles Goren, had a single weekly article carried for many years in 150 newspapers?"

For me, there is insufficient in this slice of life to explain what drove Reese up the ladder of fame. His progress was slow despite his mother's steady support; but was it steady? After Oxford University and a temporary job at Harrod's his first regular appointment was as part-timer of the *British Bridge World*, a magazine founded in 1933 by Hubert Phillips, brilliant, irascible, who sought to break the stranglehold on bridge progress in England exercised by Alfred Manning-Foster founder of the *Bridge Magazine* in 1926. Foster had weekly columns in *The Times*, *The Observer*, *The Field*; he was alleged to have written in the first instance on gardening and cookery.

Hubert Phillips never really succeeded in his objective, although he later became famous on the radio in a programme entitled *Round Britain Quiz*; he became by 1939 only £200 per week to Reese who was driven to play bridge for a living. Terence says that he was criticised then if he could "knock up £250 a year one way or another". He does not appear to have been a big winner at rubber bridge; he scarcely mentions his game and the psychology which is essential for success in it.

I must have first set eyes on him in 1934, when he was watching a match between Ely Culbertson's visiting team and a side from Richard Lederer's English team named Harry Ingram and Stanley Hughes who were accustomed to bluff and hesitate in a fashion which was then considered unethical, at rubber bridge. An anecdote now exploded over South's bidding on this hand. No score; dealer North.

Both Souths played Four Hearts, to which the Italian West led the ♠ A K and switched to a diamond, leaving the British declarer no problem. When Reese was West he led the ♠ K on which Schapiro dropped the ♠ Q, and followed with his ♠ 5 to the ♠ J. Schapiro returned his last spade and South ruffed in dummy, played the ♠ A and ran the ♠ 10 to West's ♠ Q. Reese now played his ♠ A; dummy ruffed with the ♠ 5 and Schapiro discarded his singleton club. The declarer could not score from dummy to draw the last trump without giving East a ruff in clubs. The mistake by Forquet a world champion does not detract from the brilliant defence.

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Edward Mayer

## Schools Prom

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## Clive Barnes/New York Notebook Back to the drawing board

On the surface everything seems to be the same. The Lincoln Centre, where Serban's production of *The Cherry Orchard*, starring Irene Papp, looks, to the casual eye, as firmly ensconced upon his throne as ever. And in a sense, luckily for his fiefdom, he is. After all the other day at his Newman Theatre, which is part of his public theatre rabbit-warren of theatres downtown on Lafayette Street, he opened a fascinating new political play from Brazil, Roberto Alamy's *Miss Margarida's Way* starring Estelle Parsons.

It is a little unusual for Papp to open a play at the public theatre in the summer, but then it is usual for Papp to do so. He has been at Papp and his New York Shakespeare Festival to present free Shakespeare for the Central Park summer, but this year he has given us a production of *The Taming of the Shrew*. He assured me that this was fundamentally a fundraising play, intended to win sympathy and bring in dollars. However, a day or two after the announcement I by chance bumped into Papp in the Lincoln Centre lobby. He was in the decision was genuine, and that he simply wanted to get out of Lincoln Centre. He felt he did not belong there, and he was happier working in other areas of the New York theatre.

Yet beneath this air of normality all is chaos. Well, not quite. However, things have changed considerably for Papp and all who sail with him. For he has, at last, abandoned Lincoln Centre, and the Lincoln Centre authorities are looking around somewhat nervously for his successor. One difficulty the Lincoln Centre people have is the shock of Papp's defection. His move was so far as anyone can tell, totally unexpected, even by Papp himself. One of the qualities of genius is that of being able to surprise oneself, and it is a quality Papp has in fortunate abundance.

The degree of shock can be easily assessed. As recently as April 13 of this year, Papp announced important plans for Lincoln Centre. These involved the complete redesigning of the interior of the Vivian Beaumont Theatre by the architect Giorgio Armani at the approximate cost of \$6.5m. Mr Papp, probably the most skilled fundraiser in the whole field of American performing arts, was preparing a campaign to raise the money. He intended to make "a radical theatre at Lincoln Centre" and declared that he would "shatter convention-classics treated by modern minds. I'm also going to do modern plays in a much more modern fashion than that rejected by the Lincoln Centre audience before."

Yet things still appear moderately normal for New York and Joe Papp. The Shakespeare Festival still

relays at Lincoln Centre's Vivian Beaumont Theatre, where Serban's production of *The Cherry Orchard*, starring Irene Papp, looks, to the casual eye, as firmly ensconced upon his throne as ever. And in a sense, luckily for his fiefdom, he is. After all the other day at his Newman Theatre, which is part of his public theatre rabbit-warren of theatres downtown on Lafayette Street, he opened a fascinating new political play from Brazil, Roberto Alamy's *Miss Margarida's Way* starring Estelle Parsons.

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## Food Cuisine mincer

2 tablespoons dry sherry  
1 lb streaky bacon rashers  
2 bay leaves

Trim and cut the liver into pieces. Remove any rib bones and rind from the belly of pork—the butcher will do this for you if you ask him. Cut the pork in pieces. Pass the liver and pork belly through the coarse blade of a mincer once or twice, according to the texture you like, then pass the slices of bread, broken in pieces, through the mincer last of all, to push through the last few pieces of pork and liver. Put the minced meat mixture in a bowl. Melt the butter in a saucepan, add the onion, and finely chopped onion. Cover and fry very gently to soften but not brown the onion—about 10 minutes.

Add the softened onion and butter from the pan, the egg, salt, a good seasoning of pepper, the mixed herbs and sherry to the pork mixture. Mix very thoroughly with a wooden spoon. Trim the rind from the bacon rashers and then flatten each one by stretching it along a chopping board with a knife. The lid of the mincer can be used to line the base and sides of a large loaf tin—about 9x5x3 inches. Or use a two-pint oblong terrine dish. Spoon in the pâté mixture, spread level and top with the remaining rashers. Finally place on the two bay leaves. Cover with foil or a lid and set the dish in a larger roasting tin with about 1 inch cold water. Set in a slow oven (325 deg F or Gas No 3) and cook for 2½ hours. Cool, then leave overnight under a heavy weight. Turn out and serve sliced.

To freeze this pâté, lift away the bacon rashers from around the edge of each slice of pâté—the bacon has a shorter keeping life than the pâté and while the pâté comes out of the freezer perfectly, freezing does not improve the bacon. Open freeze the slices of pâté on a flat tray or baking sheet until quite firm, after which you can pack the slices in a polythene freezer bag without any fear of them sticking together. Take out as many slices as are required at one time and allow 2-3 hours to thaw at room temperature or longer in the refrigerator.

Blender liver pâté  
This is a softer, smoother mixture, more of a spreading pâté and very good served with lots of hot toast. It also makes an excellent sandwich filling with lettuce. I don't find this recipe freezes very well, so it is one to make up when you think you will have occasion to use it reasonably quickly. It does, however, keep perfectly for 3-4 days in the refrigerator, and like all other mixtures of this kind, is much better for being made at least 24 hours before serving.

Serves 6  
2 butter  
1 large onion  
4 tablespoons chicken stock  
1 lb chicken livers, skin frozen  
2 to 3 shallots

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Serves 6  
2 butter  
1 large onion  
4 tablespoons chicken stock  
1 lb chicken livers, skin frozen  
2 to 3 shallots

1 clove garlic  
Salt and freshly milled pepper  
1 pint double cream  
2 eggs  
1 level tablespoon cornflour  
4 tablespoons dry sherry  
2oz melted butter for the top

Melt the butter in a saucepan, add the peeled and finely chopped onion and stock. Bring to a simmer, cover with a lid and cook gently for about 10 minutes to soften the onion. Trim the chicken liver and add to the onion, with the garlic (crushed to a paste with a little salt) and a good seasoning of pepper. Bring to the boil, re-cover and cook gently for about 10 minutes.

Pass the livers and juices from the pan through a mouli food mill or pulse in a electric blender. Stir in the cream, the eggs and cornflour blended with the sherry. The mixture at this stage is very soft. Pour into a well buttered two-pint pâté dish. Cover with a lid or foil and then place the dish in a larger roasting tin with about 1 inch cold water. Place in the centre of a slow oven (325 deg F or Gas No 3), and cook for 2 hours. When pressed gently in the centre the pâté should feel firm. Leave until quite cold, do not press the one with a weight. Run the melted butter over the top to seal the surface and keep refrigerated until required. Spoon out to serve.

Katie Stewart

## Radio The kings are dead

As like tin rabbits on a fairground, they are applied to them, even before they are dead. I heard only one of David Arthur's *The Stuff of Legends* in one of the numerous "burgeoning" mini-spots placed after the Monday. Mr Arthur took one folk here at a time and put together a "little" of songs and stories about him. Very engaging. *Barry Gould* ("comedy in music from John Gould") impressed me in advance as a perilous enterprise, and so it has proved. It takes an exceptional mixture of nerve, wit and urbanity to bring off even one musical spoof. The programme tries it over 20 minutes, which bespeaks a certain nerve; the other two, which are shorter, are more interesting and direct. They might do well in *Talks* (Saturdays, 11-12 am).

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## Chess Too much drama?

"We have been looking for a more dramatic chess tournament," said Boris Spassky, the Soviet world champion, at the start of the 1977 World Chess Championship in Reykjavik, Iceland. The event is to be held in the auspices of three chess federations: the British Chess Federation, the American Chess Federation, and the Soviet Chess Federation. The Soviet Chess Federation is the most powerful of the three, and it is the Soviet Chess Federation that is the main sponsor of the event.

The standard of play was not high. West led the ♠ 2 to the ♠ A and Ingram ruffed the low spade return instead of discarding a diamond loser. He was overruffed and lost an easy contract. At the other table Morhead and Mrs Culbertson were North and South. Lederer and Rose West and East.

Lederer went three down and East West fully deserved the punishment they received. A year later, Terence's mother, who generously helped him to give him a few tips for the forthcoming university match. I do not think that he paid much attention to my suggestions, which was perhaps a good thing because I was giving some advice to him who was playing for Cambridge, and the Oxford team won.

Terence never seems to have shown the flair of Kenneth Konstant until he found in Boris Schapiro, the partner who fired his batteries, took the bold chances and himself needed a balancing act like Reese to balance his high scores. One of their fine defeats in the 1964 Olympiad is worthy of record. No score; dealer North:

♠ 6 3  
♥ 10 8 5  
♦ A 10 8 6  
♣ A 10 5 4 3 2  
♠ 7 6 5  
♥ 7 5 4  
♦ K 3 2  
♣ K J 3

Both Souths played Four Hearts, to which the Italian West led the ♠ A K and switched to a diamond, leaving the British declarer no problem. When Reese was West he led the ♠ K on which Schapiro dropped the ♠ Q, and followed with his ♠ 5 to the ♠ J. Schapiro returned his last spade and South ruffed in dummy, played the ♠ A and ran the ♠ 10 to West's ♠ Q. Reese now played his ♠ A; dummy ruffed with the ♠ 5 and Schapiro discarded his singleton club. The declarer could not score from dummy to draw the last trump without giving East a ruff in clubs. The mistake by Forquet a world champion does not detract from the brilliant defence.

The shrewdest observation by the author is that "it needs long, long practice to play a new method at championship level". His most cowardly statement is that "Tournament Bridge is too young a game for any conclusions to be drawn about the effect of age". The page in which he describes his war work left a nasty taste in my mouth.

Edward Mayer

just such a tournament. From November 7 to November 24, a 16-player G. Karpov Chess Tournament was held at the Winter Gas in Blackhead, the venue of the first of the chess world's three chess federations: the British Chess Federation, the American Chess Federation, and the Soviet Chess Federation. The Soviet Chess Federation is the most powerful of the three, and it is the Soviet Chess Federation that is the main sponsor of the event.

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Both Souths played Four Hearts, to which the Italian West led the ♠ A K and switched to a diamond, leaving the British declarer no problem. When Reese was West he led the ♠ K on which Schapiro dropped the ♠ Q, and followed with his ♠ 5 to the ♠ J. Schapiro returned his last spade and South ruffed in dummy, played the ♠ A and ran the ♠ 10 to West's ♠ Q. Reese now played his ♠ A; dummy ruffed with the ♠ 5 and Schapiro discarded his singleton club. The declarer could not score from dummy to draw the last trump without giving East a ruff in clubs. The mistake by Forquet a world champion does not detract from the brilliant defence.

The shrewdest observation by the author is that "it needs long, long practice to play a new method at championship level". His most cowardly statement is that "Tournament Bridge is too young a game for any conclusions to be drawn about the effect of age". The page in which he describes his war work left a nasty taste in my mouth.

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## Chess Too much drama?

"We have been looking for a more dramatic chess tournament," said Boris Spassky, the Soviet world champion, at the start of the 1977 World Chess Championship in Reykjavik, Iceland. The event is to be held in the auspices of three chess federations: the British Chess Federation, the American Chess Federation, and the Soviet Chess Federation. The Soviet Chess Federation is the most powerful of the three, and it is the Soviet Chess Federation that is the main sponsor of the event.

The standard of play was not high. West led the ♠ 2 to the ♠ A and Ingram ruffed the low spade return instead of discarding a diamond loser. He was overruffed and lost an easy contract. At the other table Morhead and Mrs Culbertson were North and South. Lederer and Rose West and East.

Lederer went three down and East West fully deserved the punishment they received. A year later, Terence's mother, who generously helped him to give him a few tips for the forthcoming university match. I do not think that he paid much attention to my suggestions, which was perhaps a good thing because I was giving some advice to him who was playing for Cambridge, and the Oxford team won.

Terence never seems to have shown the flair of Kenneth Konstant until he found in Boris Schapiro, the partner who fired his batteries, took the bold chances and himself needed a balancing act like Reese to balance his high scores. One of their fine defeats in the 1964 Olympiad is worthy of record. No score; dealer North:

♠ 6 3  
♥ 10 8 5  
♦ A 10 8 6  
♣ A 10 5 4 3 2  
♠ 7 6 5  
♥ 7 5 4  
♦ K 3 2  
♣ K J 3

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## Travel

## Something old, something new

spent in the library of the Royal Aeronautical Society, which I can now mention. King Bladud is the founder of the town, and it is said that he was the first to fly. The town is said to be the oldest in the world, and it is said that he was the first to fly. The town is said to be the oldest in the world, and it is said that he was the first to fly.

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which provides the saffron dye and is used for medicinal purposes. It was a large and wealthy producing industry until around the end of the eighteenth century.

In Saffron Walden you will see some splendid old houses and you should visit, as I did, the fifteenth-century Sun Inn which is a National Trust property and which, during the Civil War, was Cromwell's headquarters. (There seems to be no escaping the man in this part of the world.) Close by is the beautiful Audley End House built in 1603 by Lord Howard of Walden which became one of the largest houses in England before being reduced to its present size. Well worth a visit for its grounds as well as its contents.

As I wrote earlier of the need to extend the opening of such properties I should properly give credit to the Department of the Environment and the British Open, which is the work of Sir John Vanbrugh who was commissioned by the Duke of Manchester to rebuild a partly collapsed original structure in 1707. Before that it was the home for the last few months of her life—of Catherine of Aragon.

My journey of pleasant exploration had been an easy one from Cambridge and the city is well suited as a base for the kind of off season weekend holiday I mentioned earlier. Apart from its own attractions—the college, museums and galleries—it is within striking distance of many interesting locations.

Head along the A10 for Ely where you will find more evidence of Cromwell's presence. You are able to see yourself away from its magnificent cathedral. The road to Ely will take you through Stretton and you should stop there to examine the huge beam pump engine which was installed in 1831 to take over drainage work from windmills. Though replaced by a diesel in 1925 it is still in working order.

Near by are the 700 acres of Wicken Fen, bought by the National Trust in 1899 and 1912 and preserved to show what the area looked like before the extensive drainage of the seventeenth century.

Just 15 miles from Cambridge along the A10 in Saffron Walden and I was delighted to discover there that it does take its name from the yellow crocus.

John Carter



The medieval chapel on the bridge at St Ives

## Gardening

## Looking into the fuchsia

is a few remarkable plants which tend to be a nuisance on a garden—these are the "petals" that are the upper petals that hang down often forming a kind of bell or cup.

But there are many varieties that break away from the rather dingy red and purple combination. The huge flowered "Texas Longhorn" for example, has bright red sepals and white petals; "Ting-a-Ling" is completely white; "Falling Stars" a splendid variety for a hanging basket, has light red sepals and turkey-red petals.

Then there are fuchsias with golden foliage, such as "Golden Marinka" which has red flowers.

There are at least two dozen hardy fuchsia varieties of which the doyenne is dear old "Mrs Popple" with red sepals and purple petals. She is a strong grower, about 18-24 inches high, with a graceful arching habit. But there are "Madame Cornhill" with red sepals and white petals; "Mission Bell" red and purple; "Tennessee Waltz" rose pink and lilac; and "Tom Thumb" another old favourite that has been around as long as I can remember, only about a foot high, but bushy and very free with its red and mauve flowers.

Quite different from these rather dwarf hardy fuchsias—none more than about two to two feet and half—are the varieties of *Fuchsia magellanica* (F. macrostema). This species is a native of the Falkland Islands and has given rise to several interesting varieties. It will grow to about four to six

feet high, and is much used in the south west of England as a hedge plant. Elsewhere it is usually cut to the ground by frost in winter, but when the old stems are removed in spring it will produce plenty of new flowering shoots.

Varieties of the red and purple *F. magellanica* include "Mrs P. Wood" with pink flowers, and "Vesuvio" with red and purple flowers, and foliage grey-green, with white, yellow and pink variegation. These fuchsias are splendid plants for town gardens, putting up with every kind of atmospheric pollution without turning a hair.

Some readers in the past have complained that they have lost their hardy fuchsias in their first winter. I checked with the readers and in every case it transpired that the plants had been planted rather late in the spring and had not had time to make a really good root system before the winter frosts arrived. If you think to plant hardy fuchsias, obtain them in early spring. They should have time to make plenty of roots before the winter of the following year. Cover the ground around the plants with peat, bracken, straw or leaves in the following autumn to a depth of at least six inches. Then even if we have a really severe winter the fuchsias should survive.

In a friend's garden in cold East Anglia a dozen or more varieties of hardy fuchsia survived the wicked winter of 1962-63 without protection, but only because they had a well established root system.

Curiously, as I mentioned two weeks ago, the honeysuckles have flowered prodigiously this year. I wonder why more people do not grow them. They flourish in any soil, in any aspect—east, south or west, that gets sun for some time of the day. They do not mind neglect in respect of watering or feeding, although they respond generously to both. They suffer from no disease as far as my experience goes, and when the odd attack of greenfly has occurred the plants have just shrugged them off. For me the "Early Dutch" and the "Late Dutch" honeysuckles are at the top of my list as climbers to cover a porch, a pergola, or to train against a wall. Near the house their scent on a summer evening is delightful.

It is hard to believe that the species of *lonitica* we use for hedges such as *L. plicata*, *L. nitida* and *L. Baggesen's Gold* belong to the same genus as the climbing scented species, but the botanists have so ordered. The more I see of "Baggesen's Gold" the more I like it. Used as a hedge it cheers up a dull corner but must have full sun if it is to develop its full golden colour. But I have also now a bed of it in a small formal garden at the side of the house which I have kept trimmed to about 18in high. In only a couple of years or so it has grown together to form a solid gold ground cover.

Roy Hay

## SPORT

## Golf

## Watson finds borrowed clubs to his liking with round of 68

Pebble Beach, California, Aug. 12.—Gene Littler began yesterday's second round with a one stroke lead in the United States Professional Golfers' Association Championship. Littler had birdies at two of the final three holes in the 18-hole course on Wednesday to finish strongly with a 67, five under par.

Behind him were Watson, Nicklaus and Moore, with 68. Nicklaus was on 69 with Wadkins and Caddie. Watson, winner of five titles this year, including the Masters and the British Open, was the unfortunate victim of a voluntary club check on Wednesday and his irons were ruled "unsafe" by the PGA.

They arrived late on Wednesday evening and he said he suspected the club check was a "hoax" but he should be. On the practice tee yesterday morning he asked if "anyone had a spare set. Roger Maltbie said he had an old set of Silver Scot irons.

Watson had his second set checked, and the clubs were found to be "unsafe" and he was very much and after I hit the first iron to within 12 feet at the first hole and made the putt for a birdie. I knew I really liked them."

Watson later disclosed that he is not that fond of the long iron in Maltbie's set, "but I really like them from the four iron on down."

Littler started with birdies at the first two holes and added another at the ninth. He saved a good par at the 15th, paring the green and then chipping close. His birdie at the 16th was from 80 feet and at the 18th, par, from five feet. He could have reached the 18th in two, but he said: "I had a good round going, and I was about to attempt the hole at the 18th, but I missed it just a little, and I'd be looking at a quick save."

A native Californian, he has played Pebble Beach for nearly 30 years and always has regarded it as one of his favourite courses in the world. "You have to treat this course with respect," he said, "especially when you get near the clubhouse. It's a very special place."

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birds and was not over par at any hole. "It's good to have a little rest out there," he said, "especially on those holes bordering the splashing wave."

Nicklaus started slowly but gained momentum in the middle holes only to lose it again. His four birdies came at the seventh, eighth, ninth and 10th from 45 feet, the 10th from 20 feet and the 11th from eight feet. His only blemish came at the 16th, when he missed the green and was one over par.

He always played fairly conservative golf, he said, "but the greens are small enough and so good that any time you are in a hole, you have a birdie opportunity."

The other leading contenders for this important title had mixed fortunes. Littler had a 70, two under par, and said later: "I'm swinging in better balance now, and that's good." Trevino and Seiberter were among those on 71 while the crowd's favourite, Palmer, was on 72 even par. Player of South Africa was on 74, two over par.

First round leaders

67: G. Littler (USA), 68: G. Watson (USA), 69: J. Nicklaus (USA), 70: J. Palmer (USA), 71: J. Trevino (USA), 72: J. Seiberter (USA), 73: J. Maltbie (USA), 74: J. Wadkins (USA), 75: J. Caddie (USA), 76: J. Moore (USA), 77: J. Baggesen (USA), 78: J. Cornhill (USA), 79: J. Bell (USA), 80: J. Waltz (USA), 81: J. Thumb (USA), 82: J. Popple (USA), 83: J. Longhorn (USA), 84: J. Ting-a-Ling (USA), 85: J. Falling Stars (USA), 86: J. Mission Bell (USA), 87: J. Tennessee Waltz (USA), 88: J. Lilac (USA), 89: J. Tom Thumb (USA), 90: J. Cornhill (USA), 91: J. Bell (USA), 92: J. Waltz (USA), 93: J. Thumb (USA), 94: J. Popple (USA), 95: J. Longhorn (USA), 96: J. Ting-a-Ling (USA), 97: J. Falling Stars (USA), 98: J. Mission Bell (USA), 99: J. Tennessee Waltz (USA), 100: J. Lilac (USA), 101: J. Tom Thumb (USA), 102: J. Cornhill (USA), 103: J. Bell (USA), 104: J. Waltz (USA), 105: J. Thumb (USA), 106: J. Popple (USA), 107: J. Longhorn (USA), 108: J. Ting-a-Ling (USA), 109: J. 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The most difficult birds in the world to shoot, and the most exciting

## Getting a grouse in your sights: agony, ecstasy and a lot of knee-wobbling

The grouse moor image is unflattering. Those who go to them are pictured as rich and idle, sitting in comfort, while birds are herded towards them, so that they may be slaughtered. It is not quite like that.

Driven grouse are the most difficult birds in the world to shoot. They are also probably the most exciting. Only those who have done it know what an exciting knee-wobbling business it can be, however old you are.

A grouse moor is indeed a place to fill one with awe, and the birds it breeds are tough and unpredictable. They are hardy enough to stand the most rigorous of winters, yet are strong enough to produce their chicks in time to be fully grown, sooner than any other game bird.

Grouse driven towards you come unexpectedly, they fly low and always on a curve, and because of their high "wing loading" they have to fly fast. Indeed to shoot well at what appears to be a cloud of birds, you must be able to shoot at a flash and not almost before you are ready, takes a bit of doing. But it is truly exciting.

It is not only that. Grouse come when you are not ready for them—always! How they manage this when you have nothing to do but expect them, I do not know; but they always seem to achieve surprise.

Drives are long and may last 40 minutes; after ten minutes tense with a "gun" hand down in his butt and light a cigarette. As he straightened up, inhaling luxuriously, he found himself looking straight at the end of a black grouse very close, approaching at about 60 mph. The surprise was mutual, but the grouse lifted like a fighter plane to clear the butt by four feet, and was gone. After that sort of thing, you are not going to hit the next few birds.

If you expect them to approach from the left front (because it is painfully clear they cannot conceivably come from anywhere else), they will pour over you from the right. When you have been fired upon from the right, you know they must come from the left. And when you do not see them in plenty of time, it is like fielding a lifeline in the ship. It can be a heartening too, to play at ball after ball.

Mr Harold Macmillan out with the guns on the Glorious 12th in Yorkshire in 1964.

and never even get a touch.

Why on earth do we do it? We have forgotten, perhaps, the fact that it is indeed exciting—probably more thrilling than any other shooting. And if you learn to hit them, and hit them consistently, you will be able to shoot anything that flies. After a bit you do begin to hit them. It is an art that can be learned—indeed, it is the art of the possible, once you know how.

However, if you are to learn, the first difficulty is to find someone who has mastered the business, and who then has the

ability to put his knowledge across. Finally—hardest of all—you must have the humility of spirit to absorb that knowledge, and put it into practice.

Strangely, too, large numbers do not help. How often do you see a single grouse, twisting and turning towards a butt, fall to a single shot?

On the other hand, how frequently can a mass of birds pour down on two butts, and not a feather be touched in spite of a hurried fusillade? It is much easier to concentrate on

a single bird. A mass of birds enables you to elect one, realize an instant later there is one easier to the right, change your mind and miss them all. Everybody does it, and will continue to do so as long as grouse are shot.

I suppose that this form of shooting is such fun, because there always seem to be such nice people shooting. Or perhaps—to take a cynical view—they are enjoying themselves so much, that they just become nice and friendly.

There is the good shot.

usually the least obtrusive member of the party, who arrives in the least expensive car. (As a matter of passing interest, the skill of a shot seems to vary inversely with the quality of his vehicle.)

His dog is well behaved, and so he. You do not notice him until he starts shooting, and then his skill is obvious. He is potentially safe. He always has plenty of time, and he never seems to be in a hurry. Yet he is shooting probably quicker than you, for all your haste.

He keeps his head—and that

is saying something when the bird is really coming—and he kills an awful lot of birds. He always seems to get a little bit more than his share of the shooting. He keeps quiet even when working his dog. He is an asset to any group.

A few shots can be an asset, too. I know one who, after shooting badly, has the greatest of character to congratulate his neighbour on shooting well. There are admirers, not many, but they are sufficient. Christian generosity to do this. But such humble great men do exist, and just occasionally a sort of divine influence comes upon such mortals, and for one drive at least, they cannot miss. This is such a surprise to everyone including themselves, that joy is unconfined.

Although a valiant attempt is made to pretend such skill is a fluke, no man born of woman could convince himself—let alone anyone else—that such really was the case in such circumstances. And anyway, he deserves his luck.

A day's grouse driving can be pretty testing. Late in the year, it can be cold and snowing. The grouse are strong, and apparently made of cast iron. Down wind—often a pale with some snow—they are practically untraceable.

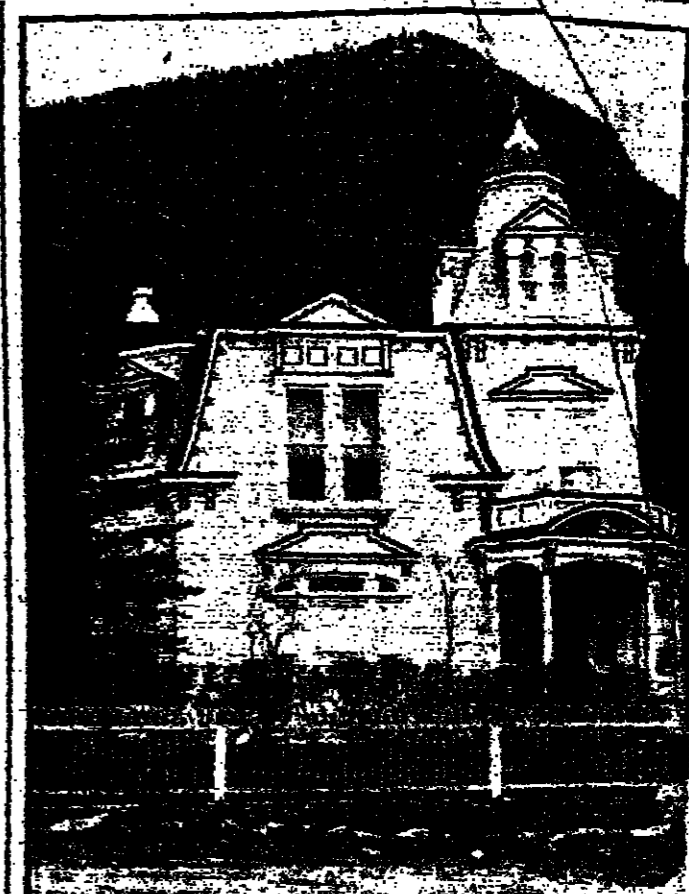
A good long wait in some really cold weather in a hut near the clouds can be pretty unpleasant. In fact I would like to have an "and" in such a hut with me, and then ask him who was being cruel to whom. You will not get a great many shots but you do will test you, or indeed anyone. You will not forget the birds you kill.

It is a sport that can give you both ecstasy and black depression almost at the same time. I can still hear the distinctive cry of despair from my left hand neighbour as he missed a real "sister". He was of course, unaware that he had opened his mouth, but I knew how he felt. But after that in the same drive, he got some splendid birds, and the agony of the moment was perhaps forgotten.

If it did nothing else, it made me realize that everybody who goes into a grouse butt may suffer depression.

He was on the other hand be rewarded, and such a prize is worth gaining.

John Ruffer



Maxwell House, in Georgetown, Colorado, built by E immigrants in 1867.

## In the Rocky Mountains a taste of old England

Denver, Colorado

It was very much a British garden party—ladies in white gloves and hats, men in blazers and ties, a menu featuring champagne and strawberries in cream, entertainment by a pipe band. A barbeque of charcoal broiled steaks with guests, male and female, in jeans and sports shirts, would have seemed more appropriate in this Rocky Mountain city; but not on this occasion.

The Denver branch of the English-Speaking Union was celebrating Queen Elizabeth's birthday in this jubilee year of her reign. It was an event that recalled old cultural and historical ties, sometimes forgotten, linking the Mountain West of the United States with Britain.

It is perhaps no accident that the Denver branch of the union is the largest in the United States outside of Washington and New York. Millions of British pounds were invested in the opening of the West between 1850 and 1900. Fortunes were made and lost in the development of railroads, mines and ranches.

Colorado mountain cities like Georgetown and Aspen, which first flourished in silver mining booms in the late 1800s, still take pride in old Victorian homes built by English immigrants in the 1850s and 1870s. Many were from the upper middle class. They came to Colorado to manage mining properties or to set up manufacturing and distributing firms that supplied the miners.

A few years later a second wave of British investing in the West brought a less wealthy but still middle class migration: officers, public servants, retired army officers, school teachers and lawyers. They provided stability and culture. Cricket was played in Colorado Springs in the shadow of Pikes Peak. Polo ponies were trained on the plains of Eastern Colorado and Wyoming. Spectacular Victorian hotels were opened in Colorado Springs, Glenwood Springs and Estes Park.

It was perhaps a more lasting and genteel contribution to the winning of the West, if not as legendary, that the exploits of more colourful cowboys, gamblers and dance hall girls (whose ranks were not without English men and women).

The English-Speaking Union of the United States was founded in 1920 to promote friendship and communication among English-speaking peoples, and 10 years later the Denver branch was formed. It found a ready membership among the descendants of the early English settlers of the West, but it was a rather restricted, almost an elite, group. The Second World War changed that. The arrival of war brides in the United States brought a new twentieth century touch to the English communities in American cities. In Denver, the E-SU branch opened its doors to the newcomers and to young Americans who had become familiar with Britain during the war.

The branch has continued to seek a broad membership and

it sponsors monthly tea parties, readings and gatherings. Not all the E-SU branches in the States have taken the road, and this is possibly because Denver has so many members that much more can be done. Seventy-six cities have E-SU branches with a total membership of 35,000. Denver alone has 1,500 members.

Muffet Baker, an English bride who now is the executive secretary in the full-time of the E-SU Denver branch, calls her first year in Colorado city "a bit of a country club, after a sort of branch," she says. "Then, our present chair, James Holm (who led a lot of American E-SU members to the Queen's jubilee in London) has been a great branch and tried to be more liberal with everyone. You didn't have to be upper crust or anything which I'm afraid many US branches still are. It is a problem in being more liberal."

An important event in Denver, and cities, is a party called the Queen's Jubilee. In 1952, the Queen's Jubilee was celebrated in Denver. It was a big event, with a lot of people coming to see the Queen. The Queen was in Denver for a few days, and she was very popular. She was everywhere, and she was very friendly. She was very kind to everyone, and she was very generous. She was very beautiful, and she was very young. She was very happy, and she was very healthy. She was very strong, and she was very brave. She was very wise, and she was very kind. She was very good, and she was very great. She was very wonderful, and she was very amazing. She was very special, and she was very unique. She was very one of a kind, and she was very precious. She was very loved, and she was very admired. She was very respected, and she was very honored. She was very revered, and she was very worshipped. She was very feared, and she was very obeyed. She was very loved, and she was very admired. She was very respected, and she was very honored. She was very revered, and she was very worshipped. She was very feared, and she was very obeyed.

After 20 years, the jubilee is a bit of a tradition. It is a big event, with a lot of people coming to see the Queen. The Queen was in Denver for a few days, and she was very popular. She was everywhere, and she was very friendly. She was very kind to everyone, and she was very generous. She was very beautiful, and she was very young. She was very happy, and she was very healthy. She was very strong, and she was very brave. She was very wise, and she was very kind. She was very good, and she was very great. She was very wonderful, and she was very amazing. She was very special, and she was very unique. She was very one of a kind, and she was very precious. She was very loved, and she was very admired. She was very respected, and she was very honored. She was very revered, and she was very worshipped. She was very feared, and she was very obeyed.

There has been much more than garden parties, record of the Denver of the E-SU. Since 1952, given grants helping 4 Americans to study in London, about the difference from similar in Britain was a most "best" career as well. Queen.

Barbara Le  
Eugen

Authorities need more power to stop damage to areas we are supposed to protect

## Helping National Parks to 'fight for their own corner'

Looking back 28 years from these materially obsessed days, one wonders how a government could have used the inspiration to legislate for the protection of the natural beauty of the more precious parts of England and Wales. Nevertheless it was done, and the National Parks and Access to the Countryside Act was passed by both Houses of Parliament without a dissenting voice in 1949.

It is less wonder that succeeding governments should have found comfortable reasons for departing from the intentions of the Act. By 1960 so much had been allowed to deface the country of National Parks that Lord Strang, then chairman of the National Parks Commission, was moved publicly to complain: "Things have been done or threatened in National Parks which would I believe have been thought inconceivable by those of all parties who, in both Houses of Parliament, voted for the National Parks Act."

He cited a nuclear power station, a ballistic missile warning station, an iron ore stockpiling ground, an oil refinery, masts of all shapes and sizes and the blanketing of large areas of open country by commercial afforestation. Today, 17 years on, the inventory of damage has extended to include a 60 mph trunk road, potash mines, fluor spar tailing lagoons, and there is more in the offing.

It is true that some isolated positions have been successfully defended: short lengths of 400kv electricity transmission lines have been placed underground in the Peak District and in Snowdonia and a reservoir in Dartmoor and a motorway across the Peak District have been rejected, but generally the will to afford National Parks the protection intended by the statute has been absent. This is due in large measure to

government indifference but more especially to the inadequate administrative arrangements of the National Park authorities.

The purposes of a National Park have statutory definition. They are:

(a) the purpose of preserving and enhancing the natural beauty of the designated areas;

(b) the purpose of promoting their enjoyment by the public.

These purposes cannot be accomplished without effect upon both local and national interests in the development of material resources. If this were not the case, there would have been no need for National Parks legislation. It was not expected that development for the benefit of the nation or those who work and work within National Parks should be subject to searching scrutiny by the National Park authorities and modified, or indeed rejected if alternative development could be carried out elsewhere.

Mr Kenneth Robinson, the Minister of Planning and Land in 1969 expressed the Government's view of the situation as follows: "We cannot afford not to look on occasions even to these most beautiful areas for some contribution to the nation's practical needs, and this is most important—can we ignore the livelihood and interests of those who live and work within their boundaries. What we must do, all of us who are concerned with the nation's practical needs, is to 'take care' and to do our best to safeguard the best that we have. The National Park authorities have heavy responsibilities in this respect and in carrying them out I would always expect them to 'fight for their own corner'."

Although this put in a plea

of diminished responsibility on behalf of the Government, it made clear what was expected of the National Park authorities.

To be able to "fight for their own corner" the National Park authorities must firstly have a corner and the power and the will to fight for it when their decisions are challenged. The members of such an authority should be people who are qualified by training or experience and active interest to comprehend the purposes of National Parks and the ways of achieving them; and, who could be relied upon to use their best endeavours to accomplish them. Ideally, they should be free from undue influence by those directly interested in the development of the material resources of the parks, particularly government departments or local electorates to whom the pecuniary advantages of development are likely to be of more immediate concern than the preservation of natural beauty or the promotion of public enjoyment of it. To meet this situation, the appointment of members should be made by an independent national body.

The situation today is that the Secretary of State for the Environment, in consultation with the Countryside Commission, appoints one third of the members of the National Park authorities, and the county councils with territory in the parks appoint the remaining two thirds. This leaves open the appointments centrally to political influence, and through the Secretary of State, and provides an inbuilt majority of two to one for the local electorate, whose interests are not primarily those of preserving the natural beauty of the land.

The local advantage was further reinforced by the failure of the government of the day

to provide independent status to the National Park authorities except in the Peak District, where an independent National Park Joint Planning Board was established with full power to precept upon the constituent local authorities. A similar board was established for the Lake District, but with a disabling limit on its precepting powers.

Following the reorganization of local government under the 1972 Act, the independent National Park Joint Planning Board was established with full power to precept upon the constituent local authorities. A similar board was established for the Lake District, but with a disabling limit on its precepting powers.

In the Lake District there is now a special planning board and hitherto with a large measure of independence; but it operates within one county—Cumbria. The county council regards this as an anomaly and has made known its desire to absorb the board as a county council committee. It has recently made use of its majority on the board to reduce the effective contribution of the Secretary of State's appointees by denying them office both on the board and on its subordinate committees.

In the Peak District alone are these impediments to the accomplishment of National Park purposes at present absent. It has been argued by the Association of County Councils that making the case that independent boards would be able to administer the National Parks more effectively than county councils involves the assumption that elected members and the people they serve really cannot be trusted to make reasonable decisions. This argument begs the ques-

tion, for county councils have different priorities. They are answerable to the local electorate and no one else for a wide range of services of local benefit which are of more immediate concern to the local electorate than a National Park. Under county council control, National Parks must take their place in the queue for attention and that place is likely to be near the end.

Furthermore, county councils are likely to support development which would be commercially attractive to the local electorate even though it would be inimical to the purposes of a National Park. Merioneth county council supported the construction of the nuclear power station in Snowdonia; Pembrokeshire county council the oil refineries in its National Park; Devon county council the television mast on North Hensbury Tor in Dartmoor; Cumberland county council the A66 trunk road through the Lake District; North Riding county council the potash mines in the North Yorkshire Moors; and Derbyshire county council recently gave support to the extension of ICI's huge Tinsted limestone quarry in the Peak District. It is quite plain that county councils are inherently disabled from fighting for the National Park corner, and there is no escaping the urgent need to provide independent authorities for all the National Parks if they are to function as Parliament intended.

The Government has accepted the recommendation of the National Park Policies Review Committee that there would be advantage in reviewing the administration of National Parks in 1981. In four years, however, irreparable damage can ensue from the failure of National Park authorities as at present constituted to fight for their corner.

The review should take place forthwith.

Each National Park should be treated as a geographical unit under the control of an independent authority responsible for its planning and management as recommended by the Hobbouse Committee upon whose report the National Parks Act was based.

A just balance of national and local interest in the membership of the National Park authorities. The Hobbouse Committee proposed parity of representation, half the members being appointed by a National Parks Commission and half by the county councils with territory in each park. This is unacceptable, and places the central appointment of members out of immediate reach of party politics.

Members representing the national interest to be selected by an independent central agency according to their knowledge of the country of the National Park, which they are appointed and to their training or experience and active interest in conservation and outdoor pursuits.

A central agency with special and defined responsibility for overseeing and supporting the National Park authorities. The National Parks Commission provided this service until it was absorbed in 1968 into the Countryside Commission, which has too wide a remit for this purpose. It should be possible to introduce a separate National Park Agency within the Countryside Commission.

There is no time to lose, for it is known that local authority associations are actively campaigning for even greater control of National Parks and are canvassing for the selection of their members as Secretary of State appointees.

Gerald Haythornthwaite

George Hutchinson

## The next time you look at a Moroccan rug, remember this

Anyone thinking of buying a Moroccan rug or carpet may care to reflect on the conditions in which it was probably made. The likelihood is that it was produced by very young girls working up to 72 hours a week for a dollar a day in Morocco on the employment or apprenticeship of children under 12 is illegal—yet many are eight, nine or 10 years old. For these infant labourers an annual holiday with pay—again prescribed by law—is "virtually unknown". They are undernourished as well as overworked and unschooled. Meanwhile the carpet trade of Morocco is flourishing, with large exports to Western Europe.

My authority for that bald

statement is a report by our Geneva this week the society's secretary, Colonel Patrick Montgomerie, has exposed the exploitation of children in Morocco on a submission to a United Nations "working" group of experts on slavery.

The history of the society's inquiries can be expressed very briefly. The first investigation, two years ago, was followed by representations to the Moroccan Government. Replying at the beginning of 1976, the Government accepted that in "a few" establishments the laws were not being strictly applied, and declared its intention to ensure future observance.

The society therefore waited

until March of this year and then sent out another small Arabic-speaking team, to see what had happened. The findings are deeply disappointing. The situation, far from having improved, can be said to have worsened. The custom of employing young girls under the legal age of 12 is now widespread; hours of work often far exceed the legal maximum; paid annual holidays, medical visits and the minimum official salaries are hardly ever provided.

The report acknowledges that excepted to these practices are to be found among some of the more enlightened private employers and in state-owned factories. Nevertheless the society's

conclusion is a dismal one: "The use of child labour in carpet manufacturing in Morocco is a violation of a basic human right and of Moroccan domestic legislation, and its use is rapidly expanding."

Until there is proof that the Moroccan Government has acted against such an appalling abuse, the thing to do, surely, is to refrain from buying the product.

While no one would claim that the administration of justice is "perfect" in Britain, or incapable of improvement, we might occasionally remember how much better it is than in some other countries—and for the moment I am not thinking

of the communist states, but of so-called democracies.

Last autumn Mr Taki Theodoropoulos, a Greek journalist not unknown in England, who is technically an American citizen, was sentenced in Athens, in absentia, to 15 months' imprisonment after being convicted of libelling the Athens News, not in Greece but in the United States. He had not been notified of the action because the Athens News was wrongly addressed, hence his non-appearance in court.

He duly lodged an appeal, intending to present himself in Athens when it was to be heard. But again, he was not informed of the date appointed

for these proceedings. The appeal was heard—and rejected in his absence, the sentence confirmed.

For present purposes there is no need to recite the ins and outs of the libel action, which was brought in an atmosphere of extreme anti-American sentiment, still rampant in Greece, where Soviet and other communist influences are dangerously strong. I am speaking not of the charge so much as of the judicial procedures—which seem to do little credit to the "home" of democracy.

But this is small beer, you may say. That might be arguable if Mr Theodoropoulos's experience were an isolated example of injustice—but not

if it is representative of Greek practice today. You may further say that it is no business of ours—but this I would also dispute.

The Western interest in Greece's integrity is a very important one, and Britain, through old associations, may have a special role to fill, not least because we are so involved both legally and morally in the future of Cyprus. There is, moreover, a welcome movement in Greece towards membership of the EEC, within which it may be hoped that our own standards of justice will find general acceptance.

Many people in this country had plenty to say about the Cretans when they were in

power in Greece. Many more are entirely without.

In the proscenium Theodoropoulos's belief, more than political prejudice, he is rich enough to withstand some of the things that might intimidate a poorer person, and like-minded are politically strong enough to fight off the forces now attacking something to exert. By impairing one's own chain, weaken any chain.

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## JUBILEE ACHIEVEMENT

... alone cannot  
the flavour of this  
very jubilee summer.  
of the Queen's pro-  
illustrate how she  
after the final events  
Ireland, earned such  
rest at Balmoral  
the Commonwealth  
start up again in  
When she started in  
May there must  
few people who could  
ted the immeasurable  
which has greeted her  
round the country.  
100 days in addition  
time business she has  
counties, attended  
like 800 events,  
hands of at least  
and held 30 sepa-  
for Common-  
of governments  
Prime Ministers  
of her physical  
Northern Ireland  
paramount in the  
but there must  
a discussion in the  
before and during  
the possibility that  
a programme had  
particularly when  
or Commonwealth  
ded in to her  
the year. The  
an essentially pri-  
vate person, has  
those who have

doubted her ability to sustain  
herself through such a series of  
public events and celebrations.  
The nation's response to her  
must become cumulatively  
exhausting to confront crowds of  
the size which have been  
apparent on the jubilee tour, the  
communion which has clearly  
been established between the  
monarch and the people must  
have gone a long way to rein-  
forcing her when the pressure  
of events may have threatened to  
become too much. It has not  
just been the fact that literally  
millions of people have been out  
on the streets of Britain to see  
her and cheer her—unprece-  
dented though that has been,  
even including the VE-day cele-  
brations; nor is it that those  
crowds contain as many young  
people as old; that spontaneous  
gestures such as flowers and  
bouquets have appeared without  
any prompting or pre-program-  
ming; or that the spontaneity  
and good spirits of the jubilee  
spread to street parties and  
fetes, throughout the land, how-  
ever distant from the royal  
itinerary. The response has  
shown itself in the quality of the  
post-box being received at the  
Palace, where 50,000 letters have  
already been delivered contain-  
ing people's own personal  
gestures of commitment and  
gratitude to the sovereign for  
the example she has given.

Such an explosion of genuine  
popularity and emotion inevi-  
tably provokes questions in a  
society which may have come to  
take the monarchy for granted  
as a useful but not very exciting  
adjunct of stable parliamentary  
democracy. From this jubilee  
summer one certain conclusion  
can be drawn: that the British  
people want to express them-  
selves with joy in a way which  
has taken most onlookers by  
surprise. Secondly, it appears  
that only the monarchy at pre-  
sent is capable of eliciting that  
desire for spontaneous self-  
expression. Thirdly, regardless  
of the ceremonial arguments about  
the role of a monarch in  
modern parliamentary demo-  
cracies, the personal qualities of  
the Queen—as opposed to her  
constitutional and merely  
symbolic ones—are clearly one  
element at the root of this out-  
burst of popularity. One is left  
therefore with the question: if  
the jubilee spirit is so evidently  
fanned among the British, does  
it really have to awaken only  
once in every 25 years, and is  
it only the sovereign who can  
reawaken it? Is there no other  
way of evoking more frequently  
this spirit of commitment and  
co-operation which seems to have  
such an underlying affinity with  
the will of the people? This  
summer, the Queen has been,  
in a very special sense, a living  
expression of the will of the  
people.

## ED ECONOMIC BAG

... news yesterday  
the undiluted good  
some in the City  
seem to have  
it, but it was well  
the forecasts which  
the policies being  
the most encouraging  
to the most impor-  
very sharp drop in  
inflation. Although  
figure was made  
good by the  
lower prices for  
there is now clear  
all to see that  
started to fall and  
to do so unless  
are allowed to rise  
ly.  
umption of a steady  
in years of pay  
have brought us to a  
where the balance  
can be brought down  
in line with most of  
partners. For that  
there must not be  
wage explosion or  
evaluation of sterling  
ming year. The key  
be the Government's  
ion to maintain strict  
the money supply and

impose on itself as an employer  
the same restraint which it  
rightly requires from others.  
Such a cautious policy will be  
necessary to maintain the finan-  
cial confidence which has led to  
another fall in the Bank of Eng-  
land's minimum lending rate to  
the lowest level since the concept  
was introduced to replace the  
old Bank rate. A fall in interest  
rates, if it can be maintained,  
will do much to restore confi-  
dence in industry. It will also  
provide an increase in the living  
standards of many who have  
mortgage repayments to make or  
other borrowings to repay. Finan-  
cial confidence on its own will  
not be sufficient to produce an  
economic revival, but it is a  
necessary condition for one.  
The problems in generating  
just recovery are clearly shown by  
trade and industrial production.  
There is no doubt that the trade  
figures are slightly disappoint-  
ing, but they ought not to pose  
serious doubts over our excellent  
prospects for moving into a  
surplus on the current account of  
the balance of payments by the  
end of this year.  
The underlying trend is still

clearly improving, since much of  
the deterioration over the past  
few months has been caused by  
imports of equipment needed to  
develop the North Sea. As pro-  
duction of oil builds up during  
the year it will give a pro-  
gressively larger contribution to  
our balance of payments, thus  
cancelling out the deficit on other  
activities. It is the deficit on  
those activities which remains  
worrying, and in particular the  
slow growth in the volume of  
our exports. It is generally  
agreed that it would be wrong  
merely to fritter away the bene-  
fits of a North Sea oil in higher  
consumption, yet so far there is  
only limited evidence that as an  
economy we are improving our  
trading performance in other  
fields. This relatively poor per-  
formance is shown up most  
again showed a quite consider-  
able drop in the second quarter  
of this year. We now produce  
almost exactly the same volume  
of goods as we produced in  
1970, a uniquely disappointing  
performance in the western world.  
Industry must now be  
encouraged to grow, but not  
through bogus reflation.

## AIN'S VOICE ABROAD

... guish have come from  
parts of the globe in  
o the Think Tank's  
abolish or reduce the  
uncil and to cut and  
Britain's overseas  
Even allowing for  
ig of personal axes,  
has been remarkable  
been able to print  
ll proportion of those  
ven more remarkable  
a large correspond-  
been almost wholly  
Scarcely a single  
come to the defence  
k Tank's report. Can  
ause the report was  
and obviously wrong  
of its investigations?  
a argument of the  
as that "cultural  
is of only limited  
ed economic benefit  
except in helping to  
a barriers with com-  
tries. More cultural  
id English-language  
hould therefore be  
the recipients. The  
services of the BBC  
ter more warmly  
were told they  
centrate on countries  
ss to unbiased news  
They should stop  
to North America,  
few Zealand and non-  
Europe.  
e two main ways of  
me is to start by  
he premise that there  
servable results from  
on disseminating  
ure and information  
Then these results

must be shown. This is difficult  
but not impossible. The testi-  
monials to the British Council  
and the BBC which have flowed  
in show that a lot of people  
around the world care about  
their work, gain benefit from it,  
and would feel deprived without  
it. Therefore it can be assumed  
that these people are being  
influenced by it. Some may be  
present or future members of  
influential elites. Some may con-  
tribute to the climate of public  
opinion in which these elites  
operate, and some may be  
businessmen or consumers.  
What is incontestable is that  
British culture and information  
are entering their bloodstreams.  
This must be a long-term asset,  
and it should not be thrown  
away lightly.  
To say that developed democ-  
racies such as France have  
sufficiently good information  
systems of their own that they  
can do without the BBC is to  
leave unexplained the estimated  
listening figure of a million and  
a half, which includes many  
young people. Presumably the  
BBC is something from the BBC  
which they cannot get from their  
own radio and press. What this  
is, and what it does to further  
British interests, may be difficult  
to measure, but a million and a  
half French listeners cannot be  
wholly without value to Britain.  
As for North America, the idea  
that Americans away from the  
east coast receive anything like  
an adequate supply of world  
news is laughable, and it is not  
difficult to show that world peace  
and security are better served if

the American public is well  
informed. Then there is the vast  
audience of British expatriates  
and travellers for whom the BBC  
is a lifeline as well as a contribu-  
tion to their effectiveness in  
representing their country. To  
cut them off would be a senseless  
betrayal of the state's duty to  
care for the interests of its  
citizens at home and abroad.  
But there are other arguments  
which must ignore altogether the  
Think Tank's basic assumptions,  
especially that "in today's world  
a country's power and influence  
are basically determined by its  
economic performance". The  
values by which a country lives,  
or strives imperfectly to live, are  
simultaneously a contribution to  
the world as a whole, a justifica-  
tion of that country's own  
existence, and a measure of its  
own sense of worth and purpose.  
In this area it is not possible to  
separate giving from receiving.  
Britain's values have been  
formed by centuries of inter-  
national traffic in culture and  
information. If Britain ceases to  
attach high importance to con-  
tinuing participation in this  
traffic, she risks faith in the con-  
tribution she makes to it, and  
fails to respond to the demand  
which her excellence generates  
abroad, her own cultural blood-  
stream will become that much  
poorer, her self-respect that  
much lower, and in the long run  
her international influence that  
much smaller. You cannot stop  
doing something you are good at  
without impoverishing yourself  
as well as others. Fortunately the  
Think Tank seems almost alone  
in failing to see this.

## ts' closed shop

... lore Beloff  
iticians you published  
e of July 25 strengthen  
m that leading journa-  
in the national press  
an example in rejecting  
opolv power. They  
express solidarity with  
to the current pres-  
provinces for compul-  
ship of the National  
unrealists.  
e past few days matters  
e more urgent as pres-  
iding up on publishers  
monopoly control-  
on Saturday (August  
NUJ executive is now  
g an earlier decision to  
ver a front page article  
an Recorder of which  
Whatever their deci-

sion, the executive is claiming  
the right to interfere in what is pub-  
lished and has thus demolished its  
claim that the NUJ exists only to  
protect its members' material  
interests.  
According to Mr Winter (July 29),  
a former member of the NUJ  
national executive, my article  
infringed the NUJ code of conduct;  
in other words, if we all had to  
belong to his union, the letter-  
could never have been written. Yet  
the three points he raises are  
matters of interpretation on which  
the public has the right to hear  
both sides.  
On the first point, Mr Winter  
concedes that the NUJ disqualified  
two candidates for political reasons.  
On the second, he says the Annual  
Delegates Meeting cannot overrule  
the appeals tribunal; but it can  
change the rules and break, as well  
as make tribunals. Finally, he  
denies that the NUJ were respon-

sible for the breakdown of the  
negotiations for a press charter. But  
agreement could certainly have  
been reached if the NUJ had con-  
ceded that journalists should be  
allowed to join any—or no—union.  
Far from censoring the work of  
my friends who are members of  
The Observer's chapel committee, as  
Mr David Ross (July 28) suggests,  
I favour the election, by the  
editorial staff, of a team to nego-  
tiate with management. I go fur-  
ther and suggest they are quite  
capable of functioning without out-  
side interference. I have attended  
chapel meetings at The Observer at  
which members of the NUJ local  
branch, who had no connection with  
the paper, presumed to argue about  
whom we should employ. In a closed  
shop, their word would be law.  
Yours sincerely,  
NORA BELOFF  
11 Belgrave Road, NW6,  
August 6.

## Commercial role of British Council

From the Managing Director of the  
Heinemann Group  
Sir, In reading the "Think Tank's"  
comments on the British Council, I  
find myself in the position of one  
arguing with an intelligent lunatic,  
just because the system of delusions  
is so perfect. Perhaps you will give  
space to an ordinary businessman to  
say why the British Council should  
be preserved and even extended.  
Your correspondents have stressed  
the importance of the "cultural  
intangibles". May I give some idea  
of the quantifiable value of the  
British Council's work on behalf of  
British commerce.  
During the last 15 years my com-  
pany has built up a very substantial  
overseas business, not only in  
exports from the United Kingdom,  
but in publishing locally written  
books, especially textbooks in over-  
seas countries. In all of this work  
we have, in common with other  
publishers, been steadily and effec-  
tively supported by the British  
Council, most of whose offices  
throughout the world are familiar  
to myself and my colleagues.  
For instance, we are the pub-  
lishers of the basic secondary  
school science course in Nigeria,  
which was initiated by the Council;  
we are at the moment publishing  
a series of science textbooks for  
Botswana, Lesotho and Swaziland  
—the inception of which is owed to  
the British Council. And so it goes  
on all over the world.  
Do your readers know, for  
example, about the huge English  
language teaching institutions which  
the British Council has founded in  
Latin America? The Rio "Cultura"  
has a headquarters and 15 branches,  
with 20,000 students and a total  
staff of almost 500. This institution  
is self-financing and making a  
profit. Together with the even  
larger Sao Paulo "Cultura", they  
set the standard for the many  
private English language schools  
throughout Brazil.  
The same can be said of Mexico,  
where the Anglo-Mexican Institute,  
of similar size, and similarly self-  
financing, plays an active part in  
the training of English teachers in  
the Mexican schools. All of these  
institutions, and their pupils, directly  
benefit from the sale of British-produced  
language books and materials on a  
very substantial scale indeed. I am  
not talking here about thousands of  
pounds, but about millions.  
The British Council has a directly  
commercial role to play. This role  
cannot be ignored by any other  
agency since it involves the con-  
junction of culturally and commer-  
cially minded staff in the same  
organisation.  
That section of the "Think  
Tank's" report which is devoted to  
the British Council has completely  
missed the main work of the Council  
as far as the publishing trade is  
concerned. It is unthinkable that  
the British Council should be  
abolished.  
ALAN HILL,  
Managing Director,  
The Heinemann Group of Publishers  
Limited,  
48 Charles Street, W1,  
August 12.

Disclosing tax returns  
From Sir Kenneth Corley  
Sir, In The Times of August 8 Mr  
Brian Sedgmore, MP, writes that  
a bold trust between husband  
and wife would mean giving  
wives access by law to their hus-  
bands' tax returns and the right to  
query these with the Inland  
Revenue. This seems to be a most  
extraordinary statement.  
Does Mr Sedgmore understand  
what he is saying? Perhaps  
he thinks that the relationship  
between husband and wife is  
similar to that between different  
trade unions and that the degree  
of mutual trust and regard is the  
same. It is not sheer ignorance for  
husbands and wives will resent  
wives, in their very special and  
personal relationships, require the  
interfering fingers of politicians  
and of the Inland Revenue to act  
as marriage guidance counsellors?  
Heaven knows how much Mr  
Sedgmore's degraded view of  
their trust in one another and  
their total rejection of interference  
in their personal affairs. They will consider that it  
comes particularly hard from a  
Labour member of this Parliament  
to suggest that the law is a good  
instrument for establishing bonds  
of trust between individuals.  
Yours faithfully,  
KENNETH CORLEY,  
Wendell,  
Walsdale,  
Seascale,  
Cumbria.

Prison governors  
From Mr J. H. Absalom  
Sir, A number of members of the  
Governors' Branch of The Society  
of Civil and Public Servants have  
written and telephoned their resent-  
ment at the allegations made by  
Mr G. Zellick in his article printed  
in The Times on August 9.  
His allegations against prison  
governors are to be put to the  
SCPS for consideration as to  
whether or not any action should be  
taken.  
In the meantime I would like to  
pass on to Mr Zellick, and anyone  
else concerned, the following little  
piece of information gathered dur-  
ing the 28 years I have lived and  
worked among prison and borstal  
inmates: the majority of inmates  
do not want further access to  
lawyers and the courts. They regard  
lawyers as people who have failed  
to keep them out of prison and have  
in fact sent them to prison. Like  
some senior police officers,  
prisoners do not trust lawyers.  
On the other hand the majority  
of prisoners seem to trust prison  
governors. Even if some of us are,  
they claim, without paragraph the  
to consider us a pretty fair lot.  
Yours truly,  
J. H. ABSALOM,  
Vice-chairman, EC,  
Prison and Borstal Governors  
Branch,  
Society of Civil and Public Servants,  
Room 2107,  
Tolworth Tower,  
Surrey.

The retail price index  
From Mr J. L. Nicholson  
Sir, Index linking is gradually  
spreading. The principal Social  
Security benefits are annually  
increased, and there is a statutory  
obligation to increase National  
insurance pensions by at least as  
much as the retail price index has  
risen. In addition, some occupations  
have retirement pensions which are  
automatically linked to the retail  
price index, and certain forms of  
National Savings are index-linked.  
Most recently it has been decided  
to link income tax personal allow-  
ances to the index. The same index,  
which has always had a major influ-  
ence on wages, is the generally  
accepted measure of the rate of  
inflation. It can now claim to be  
the most important single statistic  
prepared by the Government.  
Those of us who have ever been  
concerned with the methods used in  
compiling the index know that the  
accurate measurement of price  
changes involves some of the most  
difficult problems in all economics;  
yet few economists have been keen  
to tackle them. The methods used  
have indeed gradually been  
improved, but the problems of  
measurement have simultaneously  
been increased by rapid change in  
the types of goods and services  
generally consumed and growing  
disparities in their price movements.  
All interested parties must agree  
that an essential part of our equip-  
ment in tackling inflation is an  
accurate and reliable measure of  
changes in prices. No index number  
can be perfectly accurate, but in  
this case the consequences of any  
inaccuracy are automatically ex-  
tended and are then compounded.  
While acknowledging the good work  
being done at present, may I plead,  
through your columns, that the  
resources allocated should measure

## Improving the quality of architecture

From the President of the Royal  
Institute of British Architects  
Sir, Lord Eccles is to be congrat-  
ulated on tackling some basic and  
controversial problems in his article  
on August 4. Not everybody will  
agree with his solutions or even  
with his analysis, but he will have  
led many to face some of the under-  
lying problems which are our  
society which are too often delib-  
erately ignored.  
All architects will have been  
struck by his comments on housing,  
building and the quality of places.  
On the importance of these I believe  
he is absolutely right. But is it true  
that discrimination in these things  
is just a matter of taste and educa-  
tion? Maybe we are not, as he says,  
born knowing the difference  
between good and bad in architec-  
ture; and maybe discrimination in  
the aesthetics of Gothic, Classical or  
Art Nouveau will always be a  
minority pleasure like the enjoy-  
ment of Palestrina or the novel of  
Henry James. But I simply do not  
believe that people in general are  
unresponsive to great architecture;  
nor do I believe that they lack a  
sense of what is pleasant and con-  
genial in the places in which they  
live, work and play.  
After language our man-made  
environment is the most pervasive  
cultural heritage. Everybody uses  
it. It is all around us and inescap-  
ably, facilitating or frustrating our  
lives. The great monuments of the  
past, the cathedrals, palaces, or  
even a building as crazy as Big Ben,

have something for everybody.  
Many were the creation of an elite  
—"positional goods" some of them.  
But their enjoyment has never been  
confined to the elite; they raise  
everybody's spirits. Likewise when  
people of all classes and kinds find  
opportunities to express choice in  
the matter they show a ready ability  
to make and get nice places for  
themselves.  
Particularly in the more modest  
and understated types of building  
British architects have done some  
marvellous things since the war.  
Nevertheless, they have always been  
asked to use too much of their  
inventiveness and ingenuity in  
making buildings cheaper and less  
agreeable than they should have  
been. The public has become  
numbed into an acceptance of much  
that is second rate in the interests  
of commercial expediency and  
public accountability. In housing  
particularly they have had to take  
what speculative builders and local  
authorities offered: there has been  
very little choice and very little  
scope for the satisfaction of  
individual desires.  
I believe that latent demand is  
there, and I believe dissatisfaction  
with the mediocre is at last finding  
expression. Let the public test  
whether it would rather live with  
satisfying an awakened appetite for  
better things.  
I am, Sir, yours truly,  
GORDON GRAHAM, President,  
Royal Institute of British Architects,  
65 Portland Place, W1,  
August 10.

## March in Lewisham

From Mr Andrew Lockley  
Sir, Your correspondent Mr P. I.  
Hayes (August 12) has written an  
account of the effect on Lewisham  
people of events due to take  
place on August 13.  
As one of the representatives of  
the churches of Lewisham on  
All-Lewisham Campaign against  
Racism and Fascism (ALCARAF),  
I can assure him that whatever may  
happen between extremists of right  
and left during the National Front  
march during the afternoon, the  
ALCARAF march during the morn-  
ing will not be party to what Mr  
Hayes calls two violently opposed  
groups of people intending to clash  
in Lewisham High Street. The  
ALCARAF march will pass through  
Lewisham High Street certainly, but  
it will be doing so about three  
hours before the National Front are  
expected to be marching. ALCARAF  
will attempt to avoid any clash  
between extremists of left and right  
on the National Front March.  
ALCARAF's march will be led by  
the Mayor of Lewisham and the  
Bishop of Southwark.  
ALCARAF was founded at the  
beginning of the 1960s as a broad-  
based organization opposed to  
racism and committed to the full  
integration of all races in our  
society. It is not a "local church"  
trade unions, political parties,  
communities and ethnic minority  
groups and all its members are  
Lewisham people.  
I should perhaps add that during  
the afternoon the Bishop of  
Southwark will be holding a service  
of Holy Communion for all people  
in St Stephen's Church, Lewisham  
High Street. Your readers should  
be told that the church is two  
miles from where the extremists of  
the left have announced that they  
will clash with extremists of the  
right.  
Yours faithfully,  
ANDREW LOCKLEY,  
Chairman, Representative on  
ALCARAF,  
120 Rushey Green, SE6,  
August 12.

From Mr Mohammad Aslam  
Sir, There are a number of points  
which I would like to make about  
your editorial of Wednesday,  
August 10, concerning the march  
of the National Front through  
Lewisham.  
Although you express your  
intense dislike of the National Front  
and all it represents, and it would  
be much better for the community  
as large if the march did not take  
place, you quote the principles of  
the "freedom" underlying British  
society as a reason for not banning  
it. You say freedom of expression  
must be maintained in a democratic  
society. That point is agreed, but  
with the qualification which has  
been quoted many times—they the  
right to freedom brings with it

responsibilities to respect the needs  
of society as a whole.  
That great supporter of freedom,  
John Stuart Mill, writing in his  
famous treatise *On Liberty* said that  
everybody should be free to do as  
they wish, provided they did not  
thereby interfere with the freedom  
of other persons. It would seem  
that stirring up hatred and pro-  
vocation against some section of  
society would interfere with the  
freedom of members of that section  
of society, and often putting them  
in fear and even danger to them-  
selves, their family and property.  
Retaliation on their part could lead  
to a still greater danger to society.  
Has not the National Front been  
a nasty and malevolent organi-  
zation, you also say that it  
might gain a lot of sympathy from  
liberty loving people should the  
march be banned. I have a better  
opinion of the rank and file of the  
population, and there is with  
sympathy would be forthcoming if  
the march was banned. In fact, past  
evidence suggests the contrary.  
The ban on the wearing of par-  
tisan political uniforms during  
the 1930s, and specifically directed  
against Mosley's blackshirts, brought  
in no known additional support to  
the British Union of Fascists. On  
the contrary, strong arm tactics  
against anybody in the public street  
against anybody in the public street  
said a word out of place, blackshirt  
thuggery in London's East End, and  
provocative marches through sensi-  
tive areas actually unfanned public  
opinion more than ever against  
Mosleyite Fascism. The decline of  
whatever vainglorious hopes Sir  
Oswald Mosley may have had of  
becoming Dictator of Britain, is  
thought by many observers of the  
political scene to date from the  
"Battle of Cable Street" when the  
Fascist march was brought to  
naught.  
It should be remembered also,  
that the first Lord Rothermere,  
through his *Daily Mail*, supported  
the BUF as a patriotic movement,  
until Sir Oswald Mosley's  
to ape Hitler and his racism.  
Then that support was withdrawn.  
A similar widespread revelation of  
what the National Front actually  
stands for behind its façade of  
patriotism and populism might cause  
a large number of decent people to  
change their minds about putting  
their cross against NF candidates.  
An improvement in those social  
conditions which make people regis-  
ter their protest vote could help to  
prevent extremist and racist  
movements cashing in on dissatisfaction.  
Stirring up trouble when none  
exists can lead to serious conse-  
quences as it has done in the past.  
Yours faithfully,  
MOHAMMAD ASLAM,  
Chairman,  
Standing Conference of Pakistani  
Organizations in the UK,  
22 Seely Road,  
Luton Sands,  
Nottingham.

Some melodious plot  
From Councillor Ivor Walker  
Sir, Mrs Barnard (August 6) com-  
ments on the lack of inspiration  
that Keats would have received if  
the garden at West House had not  
been planted with geraniums as it  
is now. As Keats House was built  
1815-1816 and Keats came to it in  
1818, the garden would have been  
rather young, culled from Hamp-  
stead, and possibly covered with hemlock.  
Keats mentions that he planted  
"some bulbous roots" intended for  
his sister and that he thought that  
the violets were the "Princesses  
of flowers". In February 1820, he  
comments that the grass outside his  
windows looks "dingy". In fact his  
poetic inspiration seems to have  
come not from the Keats House  
garden which he writes about in a  
very practical way in his letters,  
but from Hampstead and Hamp-  
stead Heath.  
I cannot see what flowers are at  
my feet,  
Nor what soft incense hangs upon  
the boughs,  
But, in embalmed darkness, guess  
each sweet  
Wherever the seasonable month  
endures  
The grass, the thicket, and the  
fruit-tree wild:  
White Hawthorn, and the pastoral  
eglantine;  
Fast fading violets cover'd up in  
leaves;  
And mid-May's eldest child,  
The coming musk-rose, . . .  
suggests the Heath rather than a  
garden.  
The garden at Keats House has  
recently been the subject of a study  
by the Garden History Society and  
funds permitting their plans and  
suggestions will be implemented by  
Camden Council over the next few  
years.  
Yours faithfully,  
IVOR WALKER, Chairman,  
Leisure Services Committee,  
London Borough of Camden,  
The Town Hall,  
Euston Road, NW1.

Grading in examinations  
From Mr Lewis Stretch  
Sir, Might I object to the way in  
which (some of) your correspon-  
dents equate the statement that a  
candidate has failed an examination  
with the candidate being "fair"?  
They convey quite different ideas.  
The former carries no moral  
judgment; and such factual mea-  
sures of achievement should not be  
denied, as they are essential for  
enabling a candidate to plan his own  
career sensibly. The latter is one of  
those offensive epithets, like "wast-  
age", that regenerate the emotional  
reactions which "provide cover" for  
those who would destroy the quality  
of our education system completely  
by denying pupils guides and incen-  
tives to achieving their highest  
potential.  
Yours faithfully,  
LEWIS STRETCH,  
A Major Close,  
Ashby-de-la-Zouch,  
Leicestershire.

For service to  
the nation  
From the Rev Peter Laister  
Sir, I realize that the Crown is the  
fount of honours and awards, but  
would it not be possible for the  
nction to request our present Queen  
to accept some mark of personal  
distinction?  
There would be for courage, for devo-  
tion to duty, for service to the  
nation, for a national inspiration;  
indeed for many other qualities too.  
There would be no lack of public  
support for such an idea, and if  
both Common and Lords moved  
such a prayer, they would, for  
once, be expressing public opinion.  
Yours sincerely,  
PETER LAISTER,  
Holy Redeemer Clergy House,  
Exmouth Market,  
Clerkenwell, EC1.

Soviet freedoms  
From Mr Gish Kerensky  
Sir, It is good that you published  
Sir Gish Kerensky's article (August 9):  
there can be no better demonstra-  
tion of the chaotic state of his mind  
and the difference between Western  
and Soviet outlook.  
In the USSR, not only the press  
but even typewriters and carbon  
paper are under control, and it  
attracts persecution to be "creative-  
minded" without creating what the  
Government wishes. On the other  
hand, if you are prepared to churn  
out the kind of "production"  
of reasonable quality (and do not  
put a foot wrong politically, even  
in private life) you are entitled to  
a privileged income from the state,  
having qualified for it either by an  
exam in an appropriate institution or  
by acquiring a status in some  
other way.  
In the West you can write or  
paint what you like, but half the  
population has various ambitions  
(at least when young) and to  
achieve them one has to offer some-  
thing which others will appreciate  
enough to pay for it. To imagine  
that a man has a right to write  
what most people would regard as  
a pro-Soviet line in an anti-  
Communist paper and to over-  
look the fact that the editor's  
job is to select articles which will  
sell the paper and not kill it, shows  
a chaotic state of mind: so  
"creative" as to create an unreal  
world in which a man may claim:  
"I am a writer, and you cannot  
read my articles." I am  
painted, so you must buy my  
picture, like it or not."  
Of course, Western artists are  
sometimes a little like that, but it  
is a kind of bluster. It is a real  
tragedy when a man stakes his all  
on a stupid idea, and then some-  
where he can be "free", not only  
in the sense of being able to write  
what he thinks, but will also be  
supplied, as of right, with someone  
to publish him and pay him without  
any process of selection. (Especially  
in the case of the "plausibly nonsensical"  
which is always tricky to handle.)  
Yours faithfully,  
GLEB KERENSKY,  
73 Overdale Lane,  
Rugby.

The spread of kissing  
From Mrs Jane Gardam  
Sir, Has anybody noticed the recent  
extraordinary increase in middle-  
class kissing?  
Time was when only royalty and  
barmaids did it publicly (though not  
of course together) and remained  
socially acceptable. Public kissing  
like the flat-hat somehow skipped  
the middle classes. But now at  
every suburban gathering I find that  
I am expected to kiss in greeting.  
I am expected to kiss in greeting  
and goodbye not only my host but  
my hostess, all guests, female as  
well as male, already known to me  
and a few who are not.  
I must confess to the fact that I must  
suddenly have become lovable. Then  
I thought it must be the Jubilee.  
Then I decided that it is a rare and  
late example of a fashion descended  
from above like the teddy boy suit.  
But whatever it is it is spreading.  
We'll be at it in the streets next.  
And one isn't even safe in church.  
Yours faithfully,  
JANE GARDAM,  
53 Ridgway Place,  
Wimbledon, SW19.





## PERSONAL INVESTMENT AND FINANCE

## Building societies

## Why borrowers should look before they save

It's a wise man who knows his building society's lending policy before he begins to invest with a view to obtaining a home loan from the society some time in the future.

It is not impossible to write an advance out of a building society without first having been a depositor, but it is difficult and frequently involves the services of a mortgage broker who does not offer them for free.

And when mortgage funds are in short supply, not an unknown event, then the non-investor seeking a building society mortgage really will be sent to the end of the queue.

So, the obvious move is to invest with a building society and thereby get a better rate on one's savings, while at the same time getting a toe in the mortgage door. The next decision is how easy to make. With which building society should I invest?

In the past when readers have written with this question in mind, the answer has been to reply: choose whichever is the most convenient for you to visit, with the proviso that you be aware of investing in a society with an above-average interest rate without being first aware that this would, in most instances, mean a better mortgage interest rate when one switched from being an investor to a borrower.

Nowadays such a simple answer will not suffice. Building societies in the last four or five years have been adopting more complicated methods of raising money, which has had implications, not always well understood, for the would-be borrower.

The accompanying table abstracted from the Registrar of Friendly Societies (who also

doubles up as official watchdog of the building society movement) shows just how much interest rate variation is practised by the largest building societies in the country.

The interest rates relate to the end of last year when the Building Societies Association recommended mortgage rates were the usual 12.25 per cent. But how many people were paying even more than that? The table indicates the percentage of the societies' mortgage business on which interest in excess of 12.25 per cent was charged.

Almost half of the societies listed had one third of their total loans out at a higher interest rate than that recommended by the BSA. The Guardian's A building society with a low interest rate and an above-average mortgage interest rate is a rare bird.

But why are these societies charging more than the BSA recommended rate, but the others are all societies which advertise their mortgage interest rate as 12.25 per cent? It is at the end of last year.

Building societies have always charged slightly more for endowment mortgages on the grounds that during the life of the loan they receive no capital repayment at all. With a conventional repayment for annuity at its sometimes known as the "overriding" rate, the outstanding balance each month.

Where an endowment mortgage is concerned it is the

## OVER THE ODDS

Borrowing and lending of the top 20 building societies at above recommended rates

	SHARES		MORTGAGES	
	12.25 to 12.5	12.5 - 12.75	12.75 - 13.0	Total
(As a percentage of end-1976)				
Halifax	10.2	22.1	0.6	22.7
Abbey National	8.7	23.2	5.8	33.0
Nations	15.1	22.9	9.8	31.9
Leeds Permanent	10.2	19.3	0.2	20.1
Westminster	12.1	2.8	0.6	3.4
Avonbank	12.8	22.4	7.0	32.4
Leicester	17.7	10.4	12.9	23.3
Provincial	1.5	8.8	9.5	19.8
Britannia	9.5	2.4	2.0	8.4
Bradford & Bingley	21.9	34.5	20.4	54.9
Anglia	12.2	7.5	10.7	18.2
Burnley	9.5	18.0	5.9	23.9
Hastings & Thanet	17.5	3.5	39.4	42.9
Gateway	16.4	4.7	15.1	19.8
East of Wessex	1.5	2.2	22.6	24.1
Huddersfield & Bradford	23.4	29.7	12.4	42.9
Cheltenham & Gloucester	17.8	6.7	13.8	22.5
Northern Rock	10.0	34.5	65.5	100.0
Guardian	17.9	2.9	2.9	2.9
Coventry Economic				

Source: Report of the Chief Registrar of Friendly Societies, Part 2, 1976.

maturing policy which at the end of the day repays the loan; during the mortgage term all the building society receives is the interest on the loan. Most societies normally charge an extra 1 per cent for the facility and the Cheltenham and Gloucester adds 1 per cent over the recommended rate for an endowment mortgage.

I do not want, in this article, to go into the pros and cons

of the endowment mortgage. Briefly, it costs more at the outset but the double element of tax relief (on the interest and the life assurance premium) makes it attractive to hard-hat savers. And it has an element of enforced saving which many welcome. On the other hand, mortgage protection can be bought much more cheaply and there are, sometimes, more rewarding invest-

ments than a with-profits endowment policy.

But what does seem to emerge from the table is the differing degrees of assiduity with which the individual building societies promote the endowment mortgage concept. All societies say they lay the case for each type of mortgage, without prejudice, before the prospective borrower.

Why then, does one get such a wide variation between one amount and another? The Woolwich does in endowment business (23 per cent as shown in the first column under the mortgage heading) and the 36.8 per cent and 34.5 per cent are the rates for Bradford and Bingley respectively lead in respect of endowment mortgages?

The difference, I suspect, is that societies such as the Provincial and Bradford and Bingley "believe" in the endowment mortgage. The Woolwich, on the other hand, believes that cost of the loan should be covered whether it be by an endowment contract or decreasing term assurance, which costs virtually next to nothing. If you as a prospective borrower have very strong views either for or against the endowment mortgage, it shouldn't significantly affect your chances of getting a mortgage. Most societies now accept that around 10 per cent of total mortgage business can comfortably be advanced on the endowment basis.

And, if you are a little indecisive about money matters and want a lead as to which kind of mortgage to take, then the table should give you a clue about the direction in which individual societies will push you in.

It must also be pointed out that where an endowment mortgage is arranged without the

assistance of an intermediary such as a mortgage broker, that it is the building society which will collect the commission on the endowment policy.

The fact that commission is payable does not, I believe, influence the societies with a high level of endowment mortgage business to introduce them to someone for whom it is not a suitable method of house purchase.

But it is fair to wonder, having become accustomed to the extra income, with the implications it carries for the society's surpluses, whether such societies will ever reduce their endowment mortgage ratio?

I have little space left to discuss the other category of higher priced mortgages. Higher interest rates for larger loans—and the excess rate starts to be levied from as little as £10,000—will become more common starting point—the more common starting point—is the price of term shares.

If the building society is paying above average interest rates to investors it balances the books with some higher mortgage rates for borrowers in selected categories.

The Halifax and the Leeds Permanent are the shining examples of societies which have not found it necessary to introduce differential mortgage rates which would earn a higher interest rate.

The second column under the mortgage heading indicates the extent to which the other societies charge more than 12.25 per cent. It is useful information to know before you are committed to borrowing from one society rather than another.

Margaret Stone

## Investment trusts

## Shrinking dollar premium prompts evasive action

Investment trust managers are becoming nervous about the investment currency, more commonly known as the dollar premium.

Their concern is understandable in the light of the heavy fall seen in recent weeks and the fact that some 10 per cent of the sector's net assets is currently invested in the premium element alone of 40-year-old holdings.

Some companies have much higher exposure to the table shows. In the past few weeks a number of investment trust groups have been reducing the dollar signals and taking steps to reorganise the way their overseas portfolios are financed by taking out currency loans and shedding some of the premium element.

The Phillip Hill management group has arranged multi-currency facilities for four of its trusts—General Consolidated, City and International Commercial, Commercial and the 1928 Investment Trust in order to reduce the dollar premium content of their north American portfolios.

Scottish United and a number of others are making similar moves. G1 Japan's £2m convertible right issue last month was designed to reduce the group's proportion of investment currency holdings.

Why all the doubts? The investment dollar premium has always been one of the most unpredictable elements in the fund manager's calculations. It is a notoriously thin market, subject to a wide variety of influences. But managers have been prepared to put up with its capriciousness and the surrender penalty.

The decline of sterling, and the poor performance of the domestic stockmarket in recent years have been such that overseas investment, even hampered by the regulations, was still an attractive proposition.

Such was the demand for investment dollars that for half a decade, the premium advanced to 15 per cent. Speculators have been kept at a high level. Long-term holders, who bought at lower levels, have seen the premium element in their overseas holdings swollen by the rise in the rate.

Now the United Kingdom market is looking more attractive, sterling is stronger and the demand for investment dollars may well fall off. There is talk of abandoning the system completely, of abolishing or reducing gradually the surrender regulations as a first stage in dismantlement.

Meanwhile the effective premium rate has fallen from 11.70 per cent to 25.48 per cent in the past fortnight and some dealers

are talking of a spectacular rise of a resounding decline over next few years.

Come the beginning of the BEC regulations, the abolition of the premium element between BEC firms. Whether it will happen is at present uncertain—the delay in implementing harmonization regulations.

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## Pensions

## Are the rules for early retirement really necessary?

One of the rules of any approved pension scheme will specify the time when members will normally retire—the Inland Revenue insist on this. If you, as a new employer, expect to enter his pension scheme, he will encourage you to think of the appropriate age as the time when, other things being equal, you will stop working for him and start to draw your pension.

In the event, there may well be reasons why you wish to retire, or your employer wishes you to do so, before the normal date for retirement. The rules of the pension scheme will normally cater for such circumstances, and you may expect to see some reference to this in the explanatory booklet issued when you first join.

There is a wide range of variation in the practice of pension schemes in this respect, particularly as regards retirement earlier than the normal date. There are, however, limits on what a scheme is permitted to provide—both upper and lower limits.

The lower limits derive from the legislation about benefits for people who leave a scheme before they are due to retire and specify, broadly speaking, that benefits must be provided in these circumstances on the basis of the actual service, as would have applied at the normal date of retirement. I will return to this in more detail with reference to leaving service.

The upper limit is set by the Inland Revenue and is rather complicated. In the first place, there is a distinction between "leaving service" where it is to be expected that the member will be finding another job and thus have the opportunity to earn more pension, and "retiring early", which implies inability to go on working. In the latter case, a pension scheme is allowed to provide more generous benefits.

What constitutes "early retirement" is to some extent an exercise in delineation. The Inland Revenue accepts that termination of service on the grounds of ill health may constitute "retirement" at whatever age it takes place. In other cases, however, termination of service may be treated as "retirement" only for older people.

How much you may be provided with, if you are treated as "retiring", also varies according to the reason for retirement—whether for health reasons or not. You may be given a pension, starting immediately, based on your

original expected service up to the normal retiring date under the scheme and the standard Inland Revenue scale of maximum pensions.

If you retire for other reasons, that limit must normally be scaled down in proportion to the actual service completed, but the pension may still start at once.

It is all rather complicated, and you may wonder why it is necessary to have such a complex system of limits and what appalling abuses would be perpetrated without them. The same thought may indeed already have occurred to you in relation to restrictions I have mentioned earlier in this series. Well may you wonder.

Last year a Labour member of Parliament asked the same question in the House of Commons—and received no more than an evasive reply. The answer is that the limits are not likely to restrict what an employer would wish to do; if they do, they are generally ineffective; and, if they were effective, they would not normally serve any significant purpose from the point of view of reducing taxation advantages.

There is one exception—where the provision of lump sum benefits is in question; here there is a real tax advantage, and other legislation prevents circumvention of the rules. As far as pensions are concerned, it is all a waste of time and effort.

For employees resigning it is difficult to envisage an employer wishing to be unnecessarily generous; similarly, redundancy is the result of business difficulties and the employer is concerned, at most, with being fair and avoiding hardship.

The one case where it is possible to imagine an "abuse" is when the employer decides that he does not feel like case the rules are irrevocable, all he does is to remain on the payroll and continue drawing his salary, but just not turn up at work except when he cannot think of any other way to spend the day.

An employer might wish to be generous to people who fall ill and can no longer work, but again the pension scheme limits are irrelevant. Many good employers keep people on the active payroll while they are sick, either at the full rate of pay or at a reduced rate, often for a year and sometimes longer—possibly right up to the normal age for retirement. There are virtually no limits on what an employer can pay, even if his employee is unable to work.

## The City gets its marching orders

Nowadays everyone, from the National Association of Stock Exchanges, Turnover and Traders (NASTT) to the British Industrial League for Gainful Endeavour (BILGE), not to mention the banks, insurance companies, stockbrokers, pension funds and off-shore dividend strippers, is giving evidence to the Wilson committee.

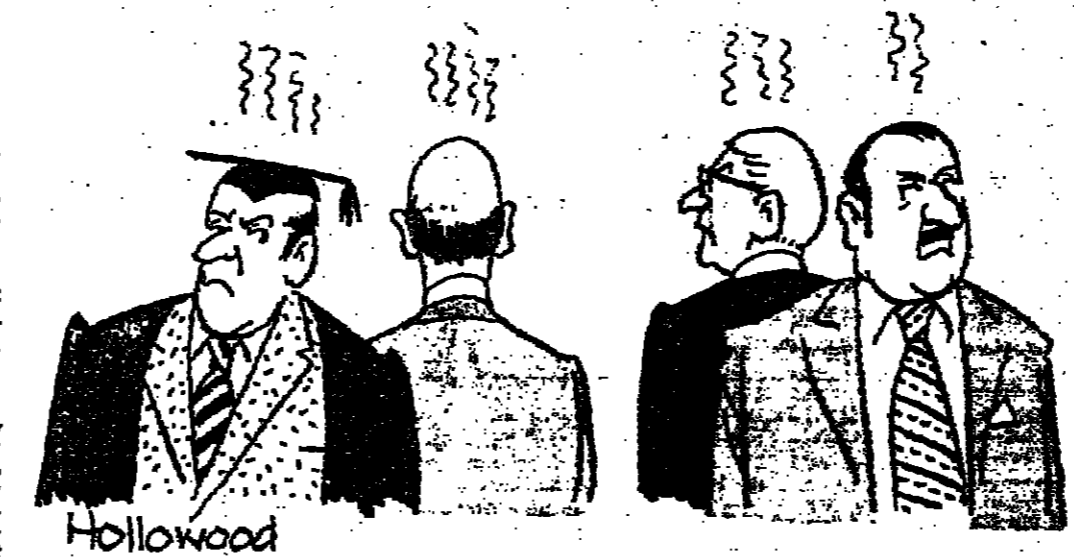
The Wilson committee, in case you have not noticed, has been charged with the task of finding out whether the City of London has failed industry by starving it of money for investment or not.

Almost all of the evidence, even from relatively disinterested parties such as the Treasury, has plumped for a strong negative in answer to the question. Hard to see then how the committee will be able to report other than in similar vein, and if it does not, observers are laying all Lombard Street to a clockwork orange that there will be "accro" as a result.

The point most frequently underlined is that it is taxation that reduces the incentive of the manufacturer not lack of funds, since the minuscule net reward he might get at the end of taking gross risk disciplines him to bother at all. The banks and other financial institutions therefore find they have nothing to do with it, and all day but play show halfpenny with it.

As a matter of fact people are just realizing that there is another problem too—that of image. Recruitment of young university graduates into industry has been dropping steadily, and the younger generation finds the idea of making profits somehow mildly disgusting. What these beautiful people don't realize is that without profits there can be no investment and without investment there can be no growth in living standards.

So there is now a great stampede to dress up ways of attracting them into manufacturing, since at the moment they all are for being sociologists, politico-economists, para-psychologists, or techno-philosophers, each bent on telling



"We have not only a class war raging among us but a clan war as well."

everybody else his particular theory of what they are all doing wrong and why. The practical problem of producing brass widgets in Wolverhampton does not appear.

Indeed, why should it when life is so much more attractive doing otherwise and when—of course applies particularly to the City Service and to the City of London itself—not only is life so much more attractive but so much better paid also? If the City has a fault it is the fact that it has served industry not of money but of talent, offering as it does a relatively well paid and pleasant existence in comparison. This, all in all, has caused a rift between the various sectors of the elite.

The French, in contrast, tend to switch their *grande école* high-fliers around between industry, finance, government and the academic world at regular intervals—no trouble as they all lunch with each other on Wednesdays. In this country, however, nothing of the kind happens. We have not only a class war raging among us but a clan war as well.

The academics disdain the manufacturers as being rough and uncultured, the manu-

facturers disdain the City Service as being middle-class and theoretical, the City Service disdains the financial sector as being greedy and manipulative, and the financial sector disdains the academics as being, well, academic.

When the separate elements are mixed up in tepid water there is no reaction, and anyone who succeeds in obtaining one deserves to be appointed Perpetual Life President of the Heaved and Hell Amalgamation Society. The result is that everything carries on in the way it always has done and Canute rules OK.

In the light of this, General Sir Herbert Herbert, presumptive GOC of XIVth Financial Division after the military coup scheduled for next Wednesday, has presented the following evidence to the Wilson committee, in the shape of standing orders for when the armed forces finally take over:

1. On the command: "Hun-tee three-away!" all those working within the Square Mile, plus all civil servants, all accountants, all corporate lawyers and all those with qualifications derived from any course taught at the London School of Economics or

similar will report for six months' national service (industrial) at a manufacturing establishment to be advised.

2. Civil servants above the rank of assistant secretary, the general secretaries of all trade unions, and all members of Parliament will report for 12 months' national service (industrial) and Cabinet ministers for 24 months as above.

All posts thus left vacant will be filled, probably far more effectively, by members of the armed forces.

5. At the end of this neo-Civilian retraining scheme all non-industrial civilians concerned will have had enough experience of manufacturing industry to understand what it is really like.

6. Accordingly, at 23.59 hours on December 31, 1979, flags will be lowered and the military junta will self-destruct. Those civilians who have undertaken national service (industrial) as above will return to their original occupations.

The country, incensed by its new found self-knowledge, will then finally set to work to knock the spots off the opposition.

Francis Kinsman

## Investor's week

## Market gets the bit between its teeth

Share prices continued to push ahead in the London stock market this week achieving on the way their best levels for more than four years.

Inevitably intermittent bouts of profit-taking clipped many prices back, but contrary to some expectations there was no significant reaction to the 40-point index rise which has taken place since the pound

surplus with North Sea oil started itself over more strongly. In the event the figures did not live up to the market's highest expectations.

Overriding these specific factors is the "snowballing" effect which a "bull" run has on both big and small investors not wishing to be left out—some would say against their better judgment.

In spite of the bullish roar of the 500 and beyond, many still feel that the market has performed in an unreal fashion over the last few weeks. The rush, too, equities, they argue, has ignored the likely level of pay settlements in the coming year, a crucial factor in the level of inflation which in itself has a strong bearing on the attractiveness of equities.

With interest rates and trade figures at the centre of things it was natural enough that the oil-guzzled market should, on occasion, command most of the attention.

Though profit taking again took its toll there was a lively trade at both ends of the market and at the start of the week the new short "tap" ran out after just two days. There was also a successful response justified by yesterday's back-point cut—and the growing conviction that the July trade figures would show a healthy

MAIN CHANGES OF THE WEEK				
Rises				
Year's high	Year's low	Company	Movement	Comment
200p	80p	Apex Props	18p to 198p	Interest rates
74p	34p	Brooks Group	7p to 71p	Retail stocks
232p	91p	ICL	20p to 226p	Comment
215p	57p	Utd Scientific	23p to 215p	Interest
38p	17p	BS & S Whitley	14p to 34p	Approach

Falls				
Year's high	Year's low	Company	Movement	Comment
195p	85p	Assoc News	18p to 143p	Argyll Field
397p	158p	Avco Hism	25p to 320p	Weak this
334p	183p	De Beers Div	30p to 250p	Dollar premium
421p	226p	Jardina Matheson	37p to 204p	Dollar premium
140p	65p	Trailalgar House	9p to 117p	Comment

yesterday the stock was trading at half point discount.

News that carpet maker Bond Worth, the Equity Bank's first investment, had debts of about £20m and was to call in a receiver sent a shudder through the textile sector. But as a counter to this investor profits from Carrington Virella were well received with the shares up 4p to 33p.

ATV "A" shares, at 97p, were hit after it was learnt that Reed International had sold a 20 per cent stake while stockjobbers Smith Brothers eased 4p to 48p on

the proposed merger with the speller Bigwood Bishop.

News of an approach led to motor component maker Clayton Dewandee being suspended. They returned to close at 136p, a gain over the week, after agreed terms worth £19m from American Standard Incorporated.

Figures from General Accident, up 3p to 205p, and old bid, favourite J. Bibby, Eraser by 3p to 151p, were both above expectations.

David Mott

## Unit trust performance

Growth and Specialist funds (progress since 1975 and the year ended 31.12.1976). Underlying income 1975-76: 15.7%; 1976-77: 12.1%; 1977-78: 15.7%; over last three years: +51.6%. Statistics supplied by Money Management, 30 St Square, London, EC2.

<b>GROWTH</b>	<b>A</b>	<b>B</b>	<b>M</b>	
M & G Recovery	68.1	149.8	British American	12.9
Oceanic Index	46.6	73.9	British Special	15.5
London Wall Sp-Sits	45.6	69.4	Trust	15.7
M & G Special	43.5	67.2	British	15.7
Trident UK Capital	42.2	39.4	British	15.6
Henderson Growth	40.9	38.3	British	14.9
Antony Gibbs Growth	40.6	38.3	British	14.9
Perpetual Growth	M 48.2	—	British	14.5
Hambros Recovery	39.7	160.7	British	14.3
Hambros Smaller Cos	34.7	160.7	British	14.2
Vanguard Growth	31.6	74.0	British	14.2
Hambros Smaller Cos	30.8	108.3	British	14.1
Britannia Status Chng	30.5	64.9	British	14.1
Seabag Capital	30.2	72.5	British	14.1
Oceanic Performance	29.5	72.5	British	14.1
Victoria Recovery	29.3	73.7	British	14.1
Reliance Opportunity	28.2	83.4	British	14.1
Capel Capital	27.4	83.4	British	14.1
Schroder Capital F	27.3	64.2	British	14.1
Manville Growth	27.0	—	British	14.1
Leo Capital	26.7	—	British	14.1
Piccadilly Capital	26.5	—	British	14.1
Crescent Growth	26.4	—	British	14.1
New Court Small Cos	26.4	—	British	14.1
Robson Capital Acc	26.3	—	British	14.1
Britannia Professional	25.2	94.2	British	14.1
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EDITED BY MARGARET STONE

## FINANCIAL NEWS AND MARKET REPORTS

## Stock markets

## Profits taken as trade figures disappoint

An encouraging set of retail price figures and a half point rise in the Minimum Lending Rate were not enough to offset disappointment at the July trade figures, and the FT index closed 5.7 down at 472.5, its lowest level of the session.

This left it just 2.5 ahead over the week with the strong gains scored last Monday all but lost.

Quadrant 16 is shaping up as a potentially exciting area of the North Sea unit Phillips recently confirming an oil discovery on its Torm field close to the already proven Thelma structure.

Interest in new shipping to block 1612, where the operator, the US Occidental group, is thought to have found oil. Rank Organisation, with a 17 per cent interest in the consortium, and Tarmac with 10 per cent should benefit from further drilling news.

Dealers said that the clutch of economic pointers were not the sole reason for the last ground. With the market looking overbought it was inevitable that profits would be taken at the end of the week and this proved to be the case.

The sluggish market the lowering of interest rates and the slower pace of inflation made little impact on stocks which had been marked down from the outset. By the time shorter maturities were around

half a point lower with "longs" down by as much as a full point in some cases. The new Treasury 12 1/2 per cent 1994 stock traded at £14.12, a discount of 87p.

Some of the biggest losses came among the industrial lenders where profit takers lowered ICI 7p to 400p, Pilkington 8p to 450p, Beecham 6p to 520p and Glaxo 5p to 550p.

The weakness of the dollar premium left overseas stocks well down with De Beers 14p off at 250p, Jardine Matheson 22p lower to 204p and Phillips 10p to 284, easier by half a point.

On the bid scene Clayton Devandora, the motor component group which has agreed to

terms worth more than £19m from American Standard, returned to close at 136p, compared with a suspension price of 114p and gaining 26p over the week. Fading bid hopes hit Flight Refuelling to the tune of 6p to 86p and the previous day's news of an approach put another 3p to BS & W Whiteley.

The 14p over the week. Renewed bid hopes had Assam Frontier another 10p to the good at 295p. Hopes of an upturn in consumer spending soon has made for a strong market in stores shares this week but now it was the time for the drop. Badly hit were British Home Stores, down 7p to 190p, Boots 5p to 200p, Gus 'A' 7p to 256p and Marks & Spencer which

dropped three pence for a close to 136p.

Shipping shares, which have good yield attractions, went against the general trend with gains from Ocean Transport 3p to 159p, Furness Withy 3p to 315p, and Lofa at 49p, the last named additionally helped by constant takeover talk.

Admiral's agreement on the Beaversbrook deal hit Trafalgar House by 6p to 119p while in a dull newspaper sector S. Pearson lost a penny to 175p in the light of disputes at its publications.

Other papers off included Reed 6p to 192p and Bewater where the drop was 4p to 188p. Profit taking hit Rascal which slipped 9p to 483p and the Bristol 13 per cent loan

traded at £11 a premium of 51. In the oil sector, comment on the figures was good for a rise of 6p to 216p in Ultramar, but both BP 8p to 922p and Shell 10p to 564p lost ground.

Even though there are hopes that lower interest rates and the easing of the "corset" may help banks business, the clearers were in no mood to respond. Tuppenny gains came from Midland at 295p and Barclays 275p

Talk of a bullish circular had European Ferries at an active 221p, better by 2p. Dealers have long been expecting a record year this time, but they also pointed out that many of the group's foreign loans are in Dutch florins, which have been particularly weak against the pound.

## Latest results

Company	Sales	Profits	Earnings	Div	Pay	Year's
per share	per share	per share	per share	per share	date	total
Chadwell (P)	2,790,248	0.017(0.01)	0.06(0.58)	—	—	—
Chadwell (P)	2,790,248	0.017(0.01)	0.06(0.58)	—	—	—
Chadwell (P)	2,790,248	0.017(0.01)	0.06(0.58)	—	—	—
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Chadwell (P)	2,790,248	0.017(0.01)	0.06(0.58)	—	—	—

## Regalian short on explanation as parent back in profit

By John Brennan

Regalian Properties' long-suffering shareholders will have to wait publication of the 1977 accounts later this month before celebrating yesterday's return of a £4.7m to £23.5m tax profit of £84,000. In the meantime they have Regalian's assurance that the overall group loss of £3.6m down from the 15-month loss of £5.2m last time, is not particularly significant.

Last year Regalian renegotiated the terms of its £22.25m deferred purchase of flat blocks from First National Finance Corporation in 1972.

Under the new scheme, which Regalian had postponed completion of the flat purchase for two years, until 1982. It has also been released from guarantees and obligations to FNFC for the flat purchase. Regalian's shares now stand at 7p against a 1972 "high" of 135p.

## Charrington rejects Laird offer

In a toughly worded statement to shareholders, Mr V. Wood, chairman of Charrington, has rejected a £20m bid from Laird Group as totally inadequate.

April to June profits show a significant increase on the same period last year and the financial position of the group, coupled with its sound prospects, provide a secure base for further growth, he says.

Yesterday the Charrington shares closed at 64p, against an offer price valued at around 54p.

The company has enough money for present requirements, and new projects—

which include a joint venture with the shops subsidiary with an Arab company, and the expansion of the 50 per cent owned Dundee Petroses—should raise no financial problems.

The directors, who own less than 1 per cent of the share capital, are rejecting the offer in respect of their own holdings.

## Sime Darby issues writs for £4m debts

By Alison Mitchell

Sime Darby Holdings has taken a further step in its attempt to reclaim the \$32.3m (Singapore) about \$4m in debt and accrued interest owed by Chng Heng Tin.

The group has issued a writ against Chng, chief vendor of Golden Bay Realty (Pte) to Sime in 1973.

Through wholly owned subsidiary Golden Bay, it has also issued writs for the recovery

of a further £12,500 from Chng and almost £10,000 from Lian Hup Construction Co (Pte), the main contractor for the building of Orchard Towers, the Golden Bay Property complex where Sime has its Singapore headquarters.

The main debt arose following a \$3.7m payment by Sime, in July, 1976, to banks to give Chng the necessary cash to complete the Orchard Towers complex.

## Foreign Exchange

Sterling drifted lower in late trading yesterday following publication of the July trade figures, but the market was generally calm ahead of the weekend.

Most market expectations had been for a surplus on the July current account and news of a \$36m deficit put light selling pressure on sterling. The pound closed two pence down at \$1.7375.

The effective exchange closed at 62.0 compared with 61.9 at Thursday's close.

The dollar maintained its earlier firmness against other major currencies. Gold lost \$0.25 to close in London at \$345.125.

## Spot Position of Sterling

Brussels	61.90-62.15	61.95-62.35
Copenhagen	10.45-10.60	10.45-10.60
Frankfurt	4.00-4.05	4.00-4.05
Lisbon	67.00-67.10	67.20-67.30
Madrid	147.00-147.10	147.10-147.20
Manila	135.00-135.10	135.10-135.20
Osaka	9.15-9.20	9.15-9.20
Paris	4.50-4.55	4.50-4.55
Stockholm	4.60-4.65	4.60-4.65
Tel Aviv	4.60-4.65	4.60-4.65
Vladivostok	22.00-22.10	22.10-22.20
Yokohama	22.00-22.10	22.10-22.20

Effective exchange rates compared to December 31, 1971 was 65.9 per cent, 69.6 per cent



## Blue chips lose ground

§ Forward bargains are permitted on two previous days

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Shop Around 18

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The Times, P.O. Box 7, Newington, London SE1 1NF

Deadlines for cancellations and alterations to advertisements: 10.00 p.m. on the day of publication. For Monday's edition, the deadline is 10.00 p.m. on Saturday. On all cancellations a 50p charge will be made to the advertiser. On any alterations, the advertiser must pay the cancellation fee. This 50p charge will be waived if you do not.

PLEASE CHECK YOUR AD. We make every effort to avoid errors in advertisements. Each one is carefully checked and proof read. When thousands of advertisements are handled each day we ask therefore that you check your ad and, if you spot an error, report it to the Classified Queries department immediately by telephoning 01-837 1234 (Ext. 7180). We regret that we cannot be responsible for more than one day's incorrect insertion if you do not.

BIRTHS

BATTLE—On August 11, 1977, to the wife of Mr. and Mrs. J. H. Battle, a daughter, Jane Louise Battle.

BEAUFORT—On August 11, 1977, to the wife of Mr. and Mrs. J. H. Beaufort, a daughter, Jane Louise Beaufort.

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DEATHS

AUBREY HARRISON—On Tuesday, August 9, 1977, at his home, 10, St. John's Road, London, aged 82, Mr. Aubrey Harrison, formerly of the Royal Air Force, died peacefully.

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PERSONAL COLUMNS

ALSO ON PAGE 18

CLUB ANNOUNCEMENTS

EXCLUSIVE WEST END night club

WINE AND DINE

FOOD FOR THOUGHT—This week

JAZZ AT PIZZA EXPRESS, tonight

SPORT AND RECREATION

MEMBERSHIP IS NOW OPEN for

SUMMER SALES

GRAMOPHONE RECORDS, 1976

GOLF CLUBS, Shops, waterports

FRENCH CLOTHES or CLOTHES

GREY PLANNED—That requires

FROM CLOTHES, 111 Walton St.

UK HOLIDAYS

AUGUST/SEPTEMBER VACANCIES

MOORHEAD HOTEL

Country hotel, 100 acres

Country hotel, 100 acres

Country hotel,